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Editorial

It is our pleasure to present the second issue of the *Journal of Academy of Business and Emerging Markets*. It has five excellent articles in the context of India, Japan, the Netherlands, the Philippines, South Africa and Sudan along with a book review.

In the lead article, *Abbadalla and Nakagawa* assess the effect of supply chain innovation (SCI) on firms' adaptability, incorporating the moderating influences of buyer's dependence on its key suppliers and the national culture. Survey data was analyzed using hierarchical multiple regression analysis. The authors confirm the role of SCI as a driver of adaptability in spite of cultural differences. Nevertheless, the findings reveal a moderated moderation effect of buyer's dependence and the individualism-collectivism dimension of culture on the innovation-adaptability relationship. In collectivist societies, buyers' dependence enhanced the impact of SCI on adaptability. However, the innovation impact on adaptability was weakened under conditions of high buyer's dependence in relatively individualistic societies. The findings emphasize the importance of adopting culturally appropriate supplier relationship management. The insights provided by the study are valuable to all firms engaging in inter-organizational relationships that transcend national boundaries, and of greater value to subsidiaries operating in countries characterized by different cultural values than their holding companies. The inclusion of data from a less researched African country, Sudan, enriches the literature and provides relevant knowledge.

In the next article, *Pasco and Lao* examine the role of customer satisfaction management in a call center in the Philippines. Adapting measures from the SERVQUAL model, these authors determine the factors contributing to the quality of the customers' experience with phone support, and their subsequent impact on the repeat purchase of products. Using Ordinal Logistic Regression method, they analyzed respondents representing American customers encountered through Filipino technical support agents in a call center in the Philippines. With ranked ratings, they find that wait time, communication, attitude, product, first call resolution (one call) have significant impacts on the overall customers' experience with the phone support. The quality of overall customers' experience has significant impacts on the likelihood of repeat purchase. Other factors relating to quality customers' experience and repeat purchase among call center customers of other products and services can be investigated to strengthen knowledge and strategy for sustainable call center customer base.

In the next insightful article, *Broeder* compares cultures between the advanced nation of the Netherlands and an emerging market of India. Specifically, he author aims to investigate context in advertisements, with a focus on cultural preferences of online consumers. For this, Hall's context model is used that differentiates between high/low context messages and cultures. In this investigation, context adaptation is created through different types of celebrity-product match endorsements. In an experimental survey, Dutch and Indian female consumers judged two versions of an Instagram advertisement in which a celebrity (Mila Kunis) endorses Nike sports shoes. The static display context version of the advertisement co-presented the celebrity. In the dynamic display context version of the advertisement, she was shown to be actively wearing/running in the sports shoes. The data suggest culturally specific contextual preferences that influence the attitudes and purchase intentions of the two cultural groups. For the Dutch consumers, the product match, the celebrity credibility and the purchase intentions were higher because of the static-context advertisement when compared with the dynamic display context advertisement. However, this was not observed in case of the Indian consumers.

Yet another article in the Philippines, *Mappala and Pasco* explore the role of adoption of the robotic process automation (RPA) in performing tasks efficiently in the field of accountancy. These authors also examine how innovation plays a role to be competitive in today's market. One of the innovations that is gaining popularity is the automation. However, because of its early development, there are limited studies to predict and analyze RPA in accounting. The purpose of the study is to examine to the effects of innovation adoption attributes on the acceptance of users and adoption of RPA in accounting. Using PLS-SEM method, their findings indicate that trialability has significant relationship with RPA adoption. Trialability was also noted as the highest predictor.

In the final article in the emerging market of South Africa, *Litheko and Potgieter* relate the stakeholder's theory to key components of rural tourism development, especially the stakeholders of the community-group. Rural tourism and its sustainable development can complement diverse economic drivers and link various economic sectors while preserving natural resources and local culture. The purpose of this paper was to ascertain a rural African community's notion of tourism development and its relationships with stakeholders in the community-group. Using a questionnaire survey methodology, their findings indicate that the community regards the stakeholders in the community-group as important, as well as the trust and commitment associated with relationship building. The implication for managers is that they should involve the local community and other stakeholders such as educational institutions and local government in the development of tourism for the benefit of the rural community.

In the book review section, *Panait* reviews the book—Palazzo, Maria 2019. Linking cultural dimensions and CSR communication: Emerging research and opportunities. USA: IGI Global.

We do hope you would find this issue useful. As always, your comments are most welcome.

Respectfully,

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The role of the buyer's dependence in the innovation-adaptability relationship: Does culture matter?

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The purpose of this study is to assess the effect of supply chain innovation (SCI) on firms' adaptability, incorporating the moderating influences of buyer's dependence on its key suppliers and the national culture. Survey data was analyzed using hierarchical multiple regression analysis. The results confirm the role of SCI as a driver of adaptability in spite of cultural differences. Nevertheless, the findings reveal a moderated moderation effect of buyer's dependence and the individualism-collectivism dimension of culture on the innovation-adaptability relationship. In collectivist societies, buyers' dependence enhanced the impact of SCI on adaptability. However, the innovation impact on adaptability was weakened under conditions of high buyer's dependence in relatively individualistic societies. The findings emphasize the importance of adopting culturally appropriate supplier relationship management. The insights provided by the study are valuable to all firms engaging in inter-organizational relationships that transcend national boundaries, and of greater value to subsidiaries operating in countries characterized by different cultural values than their holding companies. The inclusion of data from a less researched African country, Sudan, enriches the literature and provides relevant knowledge.

Keywords: adaptability, buyer-supplier relationship, culture, innovation

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Introduction

Managing supply chains (SC) is one area of business management that is greatly affected by the turbulence in the business environment that we witness nowadays. The fact that the business landscape is rapidly changing places tremendous pressure on firms to find novel ways to survive and improve their competitiveness. Accordingly, the focus of SC managers has shifted from seeking efficiency to seeking adaptability in SCs (Christopher & Holweg 2011), and adaptable SCs have emerged as a powerful dynamic capability (Aslam et al. 2018) that can generate and sustain competitive advantage (Feizabadi et al. 2019, Kwak et al. 2018). In their pursuit, firms continuously attempt to streamline processes, upgrade technologies, and adopt several practices to facilitate the adaptability goal. Although innovations within the SC can tackle typical problems such as low service levels, long lead-times, or high SC costs (Stentoft & Rajkumar 2018), their beneficial impacts can extend to cover more significant issues such as managing turbulence in the environment (Hamel & Valikangas 2003). Hence, supply chain innovation (SCI) can be viewed as a competency that leads to building vital adapting capabilities (Teece 2007) and is, therefore, receiving more attention both by academicians and managers.

As firms strive to enhance their SC capabilities, managing the buyer-supplier relationships may impose further challenges. The power dynamics of the buyer-supplier relationship can often result in situations where the dependence is not mutual, and one party has more power over the resources and thereby becomes more dominant (Blois 2010). Several negative consequences have been linked to such asymmetric dependence, including the emergence of opportunistic behaviors (Hawkins et al., 2008). However, some scholars (e.g. Chen et al. 2002) argue that the occurrence of these adverse effects is not a foregone conclusion and can be determined by prior conditioning of culture.

Bearing in mind the possible implications for theory and practice, we believe a cross-cultural examination of the effects of SCI and buyer's dependence (BD) on supply chain adaptability (SCA) would yield fruitful outcomes. Studies utilizing data from African developing countries are sparse, despite the significance of the relevant knowledge gained from such studies to policy development and practice. In examining cross-cultural differences in the effects of SCI and BD on SCA, we have chosen Japan and Sudan because of their relatively contrasting societal structures. The Japanese culture is characterized by high collectivism (Hofstede et al. 2010) compared to Sudan, which can be seen as an individualistic society (Mansour et al. 2019). The question raised in this regard is, does the BD on suppliers affect the relationship between innovation and adaptability in SCs differently for individualistic nations compared to collectivistic ones? In this study, we investigate this question by examining the effect of SCI on developing adaptable SCs, and the moderating role of BD in two culturally different countries, Japan and Sudan. The next section discusses the theoretical underpinning of the research constructs, followed by statements of the research hypotheses. The analysis method and results are then presented. We finally conclude with a discussion of the research findings, their implications, and future research directions.

Theoretical Foundations and Hypotheses Development

In a business world that is increasingly dynamic and competitive, innovation plays a critical role in an organization's capacity to adapt and grow (Hamel & Valikangas 2003). One particular area that is affected by many sources of variability in the environment, and thus is especially impacted by innovation, is the

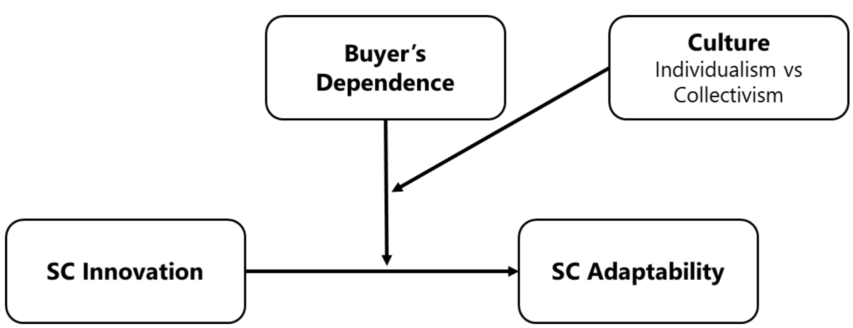

Figure 1. Study's Framework
Source: the authors

Management of the SCs. Innovation in SCs involves the creative exploitation of intrinsic development opportunities of supply chain management (SCM) by combining advancement in relevant technologies with improved marketing and logistics processes to achieve efficient operations and effective customer service (Arlbjørn et al. 2011, Hyll & Pippel 2016). Figure 1 illustrates the model of this study.

Responding to short-term changes in the market, such as shifts in demand and supply, requires a firm to have an agile SC (Eckstein et al., 2015). However, the ability to anticipate and accommodate long-term market shifts calls for SC *adaptability*, a dynamic SC capability defined as the ability to "adjust SC's design to meet structural shifts in markets; [and] modify supply network to strategies, products, and technologies." (Lee 2004, p 4). SCA has been receiving much attention in the recent academic discussions (e.g. Erhun et al. 2020, Feizabadi et al. 2019, Gligor et al. 2020, Marin-Garcia et al. 2018), as it is proposed to be a vital key to a sustainable competitive advantage.

Innovation and Adaptability in Supply Chains

Marin-Garcia, Alfalla-Luque and Machuca (2018) defined three main dimensions of SC adaptability: the ability to change SC processes (organizational design), the ability to introduce new technology to processes and information systems (use of technology), and the ability to detect trends and changes in the market (market knowledge). All three dimension are intricately connected with the concept of SCI, as process innovation and technology innovation are the considered the two pillars of SCI (Arlbjørn et al. 2011, Kwak et al. 2018). When firms renovate their SC processes to be more agile and adaptive, their sensitivity to changes in the market and their ability to respond to these changes improves rapidly and efficiently (Marin-Garcia et al. 2018).

Extant research proposed that innovative industry 4.0 technologies can improve innovation capabilities within SCs (Gunasekaran et al. 2018, Li & Li 2017, Rialti et al. 2019). The use of big data analytics in the routinization of processes, for instance, ensures the adaptability of these processes to different situations (Gunasekaran et al. 2018) and thus improves the overall adaptability of the SC (Wamba et al. 2020). The efficient exchange of information with several SC partners enabled by big data analytics (Tan et al. 2015) can allow for real-time response, enhancing the SC visibility. The internet of things (IoT) can also be used to create "sophisticated integration of data, resources, activities, and processes across departments and supply chain members" (Li & Li 2017, p 83). As a result, the technical sophistication and higher levels of innovation allow firms for increased cooperation and integration with their SC partners, and more success in managing changes and uncertainties.

Recently, an increasing number of studies have applied the well-established dynamic capabilities theory into the SCM field (Aslam et al. 2018, Gupta et al. 2020, Kareem & Kummitha 2020, Sessu et al. 2020). The dynamic capabilities theory developed by Teece, Pisano, and Shuen (1997) states that firms must pursue 'appropriately adapting, integrating and reconfiguring internal and external organizational skills, resources, and functional competencies to match the requirements of a changing environment' (Teece et al. 1997, p. 515). Defee and Fugate (2010) extended this view beyond the traditional single-firm perspective to incorporate multiple organizations in the SC. By developing the concept of dynamic supply chain capabilities (DSCCS), the authors argued that firms in a SC should use *knowledge accessing* to reduce redundancies and utilize existing capabilities more productively, as well as *co-evolving* to facilitate the joint development of new capabilities. Consistent with this strategy paradigm, SCA is considered a dynamic capability (Aslam et al. 2018) that results from the firm's ability to reconfigure firm-level and SC-level resources (Dubey et al. 2018, Eckstein et al. 2015). Additionally, SCI can be perceived as an internal competency that can drive adaptability in the SC (Teece et al. 1997).

Thus, we propose to test the following hypotheses:

H1. SCI has a positive effect on SCA in Japan.
H2. SCI has a positive effect on SCA in Sudan.

The Role of the Buyer's Dependence

Two well-known theories constitute the theoretical foundations of research on dependence: the power-dependence view of Emerson (1962) and the resource-dependence view of Pfeffer and Salancik (1978). These theories primarily state that, as organizations strive to acquire the resources necessary to run their operations, dependence and power dynamics will eventually emerge in the inter-organizational relationships. Generally, dependence is defined as the "focal party's need to maintain its relationship with an exchange partner in order to achieve its desired goals" (Scheer et al. 2015, p 700). Balanced levels of dependence from the buyer's and the supplier's sides enhance the stability of the relationship (Muthusamy & White 2006) and increase the depth of their economic interactions (Gulati & Sytch 2007). In practice, however, it is not uncommon for dependence to be asymmetric where one partner dominates the exchange (Blois 2010)

Asymmetric dependence occurs when one party possesses and holds control over critical assets (Emerson 1962), leaving the other party in a less-powered position. In this study, we focus on the dependence from the buyer's side, i.e., the buyer's dependence on the supplier. From a buyer's perspective, dependence on the supplier emerges as a result of several factors. A widely acknowledged source of buyer's dependence is the unbalanced distribution of complementary resources and capabilities between the buyer and supplier. Schmitz, Schweiger and Daft (2016) developed a model describing the dynamics leading to buyer's dependence on the supplier and the possible lock-in situation in buyer-supplier relationships. According to this model, the supplier's competent and performance along with common progress and perception of a positive collaboration leads to the creation of a tying effect. As the relationship matures and relationship-specific investments are made, the risk aversion tendency and financial limitations of the buyer further develops dependency on the supplier. At a final stage, some buyers enter into a lock-in state with their suppliers due to the high relational and financial sunk costs which represents barriers to ending the relationship.

The discussion about the possible consequences of dependence asymmetry is ongoing, with extant literature presenting mixed results regarding the merits and demerits of such conditions (Kim & Fortado 2020). Primarily, the mere presence of asymmetric positions in buyer-supplier relationships was associated with instability and conflict (Mentzer et al. 2000), resulting in negative impacts on the levels of strategic and operational coordination, integration, and knowledge sharing between firms in the SC (Michalski et al. 2017). Recent literature has discussed additional negative consequences of buyer's dependence. According to Yalcin et al. (2018), the increased dependency of the buyer on the supplier due to the loss of buyer's critical purchasing and inventory management skills when using vendor-managed inventory (VMI) was found to negatively affect the trust level in the buyer-supplier relationship and eventually hurt the overall SC performance. Huo et al. (2019) found that buyer's dependence on the supplier triggered the latter's use of coercive and non-coercive power. Other adverse consequences of buyer's dependence include buyer's vulnerability and supplier's reduced willingness to compromise (Griffith et al. 2017).

Authors who cautioned against asymmetric dependence justified their arguments by positioning opportunism and the exploitation of the weaker party as potential risks. However, in actual business relationships, the dominant party does not necessarily exploit the dependent one. As discussed by Gaski (1984), exercised and unexercised power plays a vital role in determining the extent to which the negative consequences are expected in an asymmetric dependence. Moreover, several mechanisms are used to mitigate the adverse effects of dependence asymmetry. For example, Eckerd and Sweeny (2018) found that exchange relationships with a highly dependent partner would lead towards the use of contractual governance, as explicit contracts provide safeguards for both parties in the face of exchange hazards.

Interestingly, some scholars argued that BD would be advantageous in specific scenarios. For instance, Terpend and Krause (2015) proposed high BD as beneficial to the relationship as it will trigger more commitment and cooperation from the buyer's side, resulting in increased motivation, higher performance from the supplier, and an overall successful relationship. Teryokhin and Hannås (2018) had also acknowledged the advantage of high BD. According to their study, the supplier-specific investment in inter-organizational information systems (IOS) improved sharing of sensitive strategic information only when the buyer was dependent on the supplier. They justify this result by explaining that high dependency relaxes the problem of opportunistic behavior caused by supplier-specific investment, and forces both parties to share the sensitive strategic business information.

From the above discussion, we can conclude that adverse outcomes resulting from asymmetric dependence can hurt the dependent firm's performance, while advantages from such relationships will boost its performance. If this is the case, then innovative practices initiated by the firm targeting improved adaptability will also be affected. Particularly, we propose that BD moderates the relationship between innovation and adaptability. However, if BD clearly holds mixed impacts that are primarily dependent upon the opportunistic propensity and behaviors of the dominant party, what determines whether or not this dominant party will exercise its power and exploit the weaker party? To address this question, we propose *culture* as a moderating factor, which influences the effect of the BD on the relationship between innovation and adaptability in SCs.

The Role of Culture

The social norms and the institutional and structural settings of a country play a vital role in shaping the business environment. In today's interconnected business landscape, firms must devote a considerable amount of time and effort to understand the cultural backgrounds affecting their business transactions with their respected partners. One of the most frequently used frameworks addressing the cultural differences across nations is the seminal work of Hofstede (1980). Hofstede defined national culture as "the collective programming of the mind acquired by growing up in a particular country" (Hofstede et al. 2010, p 520). This prior conditioning of culture shapes the attitudes of the group members regarding many aspects of life, including how they conduct business, and produces relatively stable values (Rokeach 1973) that are systematically different across nations (Hofstede 1980).

The four basic dimensions of national culture defined by Hofstede are power distance, individualism, uncertainty avoidance, and masculinity. In assessing the impact of cultural differences in this study, we believe that the individualism vs. collectivism dimension is the most relevant, without invalidating the roles of the other dimensions. Individualism refers to the degree to which people in a society are integrated into groups (Hofstede et al. 2010). In individualist societies, people seek their own self-interests, as opposed to the collectivist ones, where the interest of the group prevails over the interest of the individual. When applying the cultural dimension of individualism at the firm level, the buying firms can view their suppliers as part of the group, especially in conditions of high dependence (Ketkar et al. 2012).

Although opportunism is considered commonplace behavior (Maitland et al. 1985), several scholars have linked the opportunistic propensity and behaviors to prior cultural conditioning. Williamson (1993), one of the pioneer scholars who defined and discussed the concept of opportunism, has widely acknowledged that culture affects opportunism. Chen et al. (2002) examined how the opportunistic propensity of an economic actor is affected by one's cultural prior conditioning of individualism-collectivism, revealing that individualists have a higher opportunistic propensity in intra-group transactions. This might be attributed to the fact that collectivistic values, such as commitment, cooperation, and respect for authority, usually serve as self-regulating forces against opportunism (McGregor 1960, Miner 1980).

Relational norms generally refer to shared values and bilateral expectations between exchange partners about what constitutes appropriate or inappropriate behavior in their relationship (Heide & John 1990). Previous research identified several norms that structure and govern exchange relationships, including flexibility and solidarity. Flexibility refers to the shared expectation that each partner will be willing, in good faith, to change the original terms of the contract to account for the unanticipated changes. Similarly, solidarity refers to shared expectations that each partner will behave in a manner that benefits their collective instead of individual interests (Heide & John 1990). Collectivist cultures, as they promote group values and seek collective interests (Doney et al. 1998), generally exhibit higher relational norms than individualist cultures. Under high relational norms, dependence and opportunism will be inversely related (Joshi & Arnold 1997). Consequently, relational norms act as a relational mechanism that governs the buyer-supplier relationship and improves relationship performance (Liu et al. 2009).

Rokkan et al. (2003) discussed how the expectation of a long-term relationship and the norm of solidarity, values that prevail in collectivist nations, could create a bonding effect leading to decreased opportunism. A recent study by Yang et al. (2020) confirmed that, under certain aspects of culture, the negative effects of resource and information asymmetry can be mitigated. *Guanxi*, a special type of Chinese social capital characterized by favor, trust, and interdependence, was found to decrease the direct effect of dependence asymmetry on opportunism. Thus, the authors advocated the use of such cultural aspects as risk management tools that can be used to reduce partner's opportunism in R&D collaborations.

Based on the above reasoning, we propose that, in individualist countries, the buying firms will suffer from the traditional adverse consequences of dependence on suppliers. As a result, the expected positive effect of their SC innovative improvements on the adaptability will be reduced. On the other hand, we propose that the effect of collectivist values will not only reduce the adverse effects of dependence but will also reinforce the relationship between the firm's SC innovation and adaptability. Using Japan as a proxy for collectivism and Sudan for individualism, we present the following hypotheses:

H3. In Japan, the positive relationship between SCI and SCA is stronger among firms with higher levels of BD.

H4. In Sudan, the positive relationship between SCI and SCA is weaker among firms with higher levels of BD.

Methodology

Survey data was collected from Japanese and Sudanese firms. The choice of these two countries was due to their varying cultural values. Despite being 'not as collectivistic as most of [their] Asian neighbors', the Japanese people are known to have more loyalty to their companies than other Asian countries (Hofstede Insights 2020). This may indicate that the collectivistic tendency of the Japanese people is higher in the workplace than in the social and family life. As a highly homogenous society, it is expected that the same cultural values are shared across the nation despite the geographical distribution within the country. For the Sudanese society, the situation is more complicated, as the debate over the Arabic vs African ethnicity and culture of Sudan is still ongoing. The high heterogeneity in linguistic and racial origins along with the fragile political and economic situation have posed challenges on the accurate measurement of the Sudanese culture. Due to the inexistence of Sudan`s cultural values in the Hofstede`s survey or in the GLOBE Book, studies addressing the culture of Sudan have adopted conflicting measures (e.g. Azahari et al. 2019, Elamin 2019, Mansour et al. 2019, Pirju 2017). For example, one study used the Hofstede's dimension scores of Nigeria, a sub-Saharan African country, to represent the Sudanese culture (Azahari et al. 2019). Other studies (e.g. Cronjé 2006, Pirju 2017) concluded that Sudan can be included in the Arab-speaking countries category of the Hofstede's model, despite that fact that these countries were specified by Hofstede and have not included Sudan (Hofstede et al. 2010).

A recent study by Mansour et al. (2019) employed the Hofstede Value Survey Module 94 (VSM 94) as the research instrument to measure Hofstede's five cultural dimensions on a sample of 649 Sudanese participants living in Khartoum city, the capital of Sudan. Since the data collected for our study was from Khartoum as well, we believe the cultural dimension scores obtained by Mansour et al. are the best representation of the culture of our sample.

Data Collection

Data for this study was collected via a survey instrument. An English version of the questionnaire was developed first based on relevant literature, then translated into Japanese and Arabic by native professors and doctoral students. We conducted pilot testing to ensure that questions and their translations were suitable and accurate. The procedure for data collection varied due to cultural and structural settings. In Japan, the postal service is widely used, and it is usually preferred over other types of communication, especially for business transactions. In Sudan, however, the postal service system is not as efficient, and it is not widely used. Also, Sudanese managers value face-to-face communication more than other types of communication.

In Japan, we used an address database for firms in Osaka city and a random sampling technique to develop a list of 584 firms. Covering letters, including a link and QR code to an online Japanese questionnaire version, were sent by mail to the firms. Three mails were returned due to wrong/invalid addresses. Over a three-week waiting period, 46 valid questionnaires were filled, yielding around an eight percent response rate.

In Sudan, the city of Khartoum was the target for data collection. Questionnaires were hand-delivered to 146 managers from 66 firms. A total of 134 questionnaires were retrieved. Six questionnaires were discarded due to incompleteness, yielding a response rate of 88 percent. Since the unit of analysis for this study is the firm, we reduced responses from the same firm to one using the criteria of 'the middle manager with the longest experience', resulting in 64 responses. Out of the 64 remaining firms, 29 firms were non-manufacturing, so they were also excluded from the analysis. The final sample of Sudanese companies included 35 manufacturing companies.

The analysis of the demographic information showed that half of the Japanese respondents belonged to the top management, while the majority (60%) of the Sudanese respondents belonged to the middle level of management. About 70 percent of the Japanese respondents had more than ten years of experience, while the experience of 40 percent of the Sudanese respondents ranged from five to ten years. As for the firms' characteristics, the majority (24%) of the firms in the Japanese sample were from the petroleum, chemical, and medical industries, followed by non-metallic industries (17%). The majority (43%) of the Sudanese firms were also from the petroleum, chemical, and medical, followed by a percentage of 34 from the food and beverages industry. The Japanese firms were established earlier than their Sudanese counterparts, with 85 percent of the former founded in 1980 and earlier, compared to 57 percent of the latter founded after the year 2000. Finally, for both countries, the majority of firms (76% in Japan and 57% in Sudan) were of medium size (100–999 employees).

Measures

Measures validated in previous literature were used to ensure adequate reliability and validity. All survey questions were based on a seven-point Likert scale (one= strongly disagree/ much worse, seven=strongly agree/ much better). SCA was measured using a three-item reflective construct. The items were adapted from Pu, Wang, and Chan (2020). Respondents were asked to compare to their closest competitor(s) their firms' ability to adapt its SC relationships, business priorities, and activities to respond to different changes in the market and the external environment. SCI was measured using a six-item reflective construct. The items were adapted from Kim et al. (2006), Kwak et al. (2018), and Wang and Ahmed (2004). Respondents were asked to indicate their agreement with statements reflecting their firms' level of process innovativeness and their use of advanced technologies to manage their SC processes, including advanced enterprise resource planning (ERP) systems, IoT, and artificial intelligence. Following prior studies (e.g.

Kumar et al. 1998 Sezen & Yilmaz 2007), BD was conceptualized as a reflective-formative construct composed of two dimensions: Importance (IMP) and Irreplaceability (IRP). The items were adapted from Ganesan (1994). IMP was measured using a two-item reflective construct. Respondents were asked to indicate their agreement with statements reflecting the importance of their key supplier(s) for future performance and achieving the targeted business objectives. The second dimension, IRP, was measured using a single indicator where respondents were asked to indicate the level of difficulties in replacing their key suppliers if the relationship was terminated. These two constructs (IMP and IRP) were hypothesized as formative indicators of the BD construct. In line with previous literature, the firm's age, and size (measured as the number of employees) were added as control variables. Table 1 presents the descriptive statistics and correlations among the study variables for each sub-sample (Japan and Sudan), each obtained by averaging the relevant items.

Analysis

To assess the psychometric properties—reliability and validity—of the constructs, we used the partial least squares structural equation modeling (PLS-SEM) technique using SmartPLS® 3.7.2 (Ringle et al. 2005). PLS-SEM is suitable for our model because of its ability to handle small sample sizes and handle both reflective and formative measures (Hair et al. 2019). The reliability and validity of the reflective constructs were assessed by checking the scores of outer loadings, composite reliability (CR), average variance extracted (AVE), and the Heterotrait-Monotrait (HTMT) Ratio of Correlations (Hair et al. 2019, Henseler et al. 2015).

Table 1. Descriptive Statistics and Correlations

Constructs	Japan n = 46		Sudan n = 35		1	2	3	4	5	6
	Mean	SD	Mean	SD						
1. Age	71	31	22	18	1	.36**	.14	.26	.14	.12
2. Size	767	1262	907	1677	.14	1	-.06	.22	.02	.03
3. SCA	3.46	.96	5.1	1.1	.02	-.15	1	.68**	.16	.10
4. SCI	3.5	1.1	4.9	1.3	.04	-.05	.49**	1	.35**	.23
5. IMP	5.1	1.1	5.4	1.1	-.13	-.09	.24	.34**	1	.60**
6. IRP	4.3	1.3	4.3	1.7	-.16	-.24	.34**	.42**	.21	1

**Correlation is significant at the .05 level.

Notes:

The upper-right half of the matrix shows correlations for Japan's sample, and the lower-left half of the matrix shows correlations for Sudan's sample.

The loadings of indicators were acceptable and ranged from .64 to .97 (Hair et al. 2014) (all significant at the .05 significance level). CR scores ranged from .82 to .97, exceeding the recommended level of .70 (Hair et al. 2014). Constructs also exhibited acceptable convergent validity as all AVE scores exceeded the cut-off point of .50, ranging from .66 to .84 (Hair et al. 2012). Formative constructs were evaluated based on their indicators' collinearity, and the statistical significance and relevance of the indicator weights (Hair et al. 2019). Variance inflation factor (VIF) scores were below 10, indicating no presence of a collinearity (Hair et al. 2010). We used the bootstrapping procedure to assess the significance of the formative indicators' weights. The results were significant at the .01 significance level. The HTMT correlation ratios provide strong evidence of the discriminant validity of the constructs, ranging from .11 to .78, far below the threshold of .90 (Henseler et al. 2015). Hence, these results confirm that all constructs exhibit acceptable psychometric properties.

As the data was collected from single informants, the presence of common method bias must be checked. The occurrence of a VIF greater than 3.3 is proposed as an indication that a model may be contaminated by common method bias (Kock 2015). The highest VIF score among constructs was 1.56, indicating that the model is free of common method bias.

Results

We performed hierarchical multiple regression analysis using RStudio (RStudio Team 2020) to test the hypotheses of this study. Table 2 reports the analysis results. Numbers in the brackets denote standard errors. In model 1, only control variables (firms' age and size) were included. The results show no significant effects for either Japan or Sudan samples. In model 2, the main effects of the independent variable; SCI, and the moderator, BD, were added. The first hypothesis (H1) proposed a positive impact of SCI on SCA for the Japanese firms. This hypothesis was supported by the results, as we found a positive effect of SCI on SCA (β=.63, p<.01), predicting more than 50 percent (adjusted R^2 of .50) of the variance in Japanese firms' SCA. A similar result was found for the Sudanese firms, with a positive effect of SCI on SCA (β=.32, p<.05) and an adjusted R^2 of .22, indicating that more than 20 percent of the variance in Sudanese firms' SCA can be explained by their SCI, which provide support for the second hypothesis (H2). These results (Figure 2) show the improved SC adaptability as innovation increase in both countries. In Japan, however, the effect is more pronounced.

Table 2. Analysis Results

	Dependent variable: SCA					
	Model (1)		Model (2)		Model (3)	
	Japan	Sudan	Japan	Sudan	Japan	Sudan
Firm size	0	0	0	0	0	0
	(0)	(0)	(0)	(0)	(0)	(0)
Firm age	0	0	0		0	0
	(0)	(0)	(0)	(0)	(0)	(0)
SC Innovation (SCI)			.63***	.32**	-.02	2.49**
			(.09)	(.15)	(.39)	(1.0)
Buyer's Dependence (BD)			-.09	.27	-.51*	2.33**
			(.09)	(.19)	(.26)	(.98)
SCI*BD					.13*	-.43**
					(.07)	(.20)
Constant	3.13***	5.14***	1.59***	2.17**	3.75***	-7.97
	(.35)	(.31)	(.49)	(.95)	(1.32)	(4.83)
Observations	46	35	46	35	46	35
R^2	.03	.02	.55	.31	.58	.40
ΔR^2	.03	.02	.52***	.29***	.03*	.094**
Adjusted R^2	-.01	-.04	.50	.22	.53	.30
F Statistic	.77	.37	12.49***	3.36**	11.12***	3.92***
df	2,43	2,32	4,41	4,30	5,40	5,29

*p<.1, **p<.05, ***p<.01 For alacrity, firm size and age, four-digit accuracy is omitted.

An interaction term between the independent variable and the moderator (SCI*BD) was then created, after mean centering the variables, to test the moderation hypotheses (H3 and H4). H3 stated that BD will reinforce the relationship between SC's innovation and adaptability for Japanese firms. The results confirm this statement with a positive interaction coefficient (β=.13 significant at p<.10) and an improvement in the prediction power of the model by about 3 percent (ΔR^2=.03 and F-statistic=11.12 significant at p<.10 and p<.01, respectively). This result means that higher dependence of the Japanese buying firms on their suppliers will be beneficial for these firms because it will strengthen the impact of their SCI on SCA.

In contrast, we proposed that due to cultural differences between the two countries, the presence of high BD in Sudanese firms will dampen the effect of innovation on adaptability. The moderating impact of BD on the relationship between SCI and SCA in Sudan was negative (β=-.43 significant at p<.05). The addition of the moderator raised the percentage of the explained variance in Sudanese firms' SCA from 20 to 30 percent (ΔR^2=.09 and F-statistic=3.92 significant at p<.05 and p<.01, respectively). This result demonstrates that, as the dependence of the Sudanese buying firms on their suppliers increase, their innovative SC improvements will be less effective at enhancing SC adaptability.

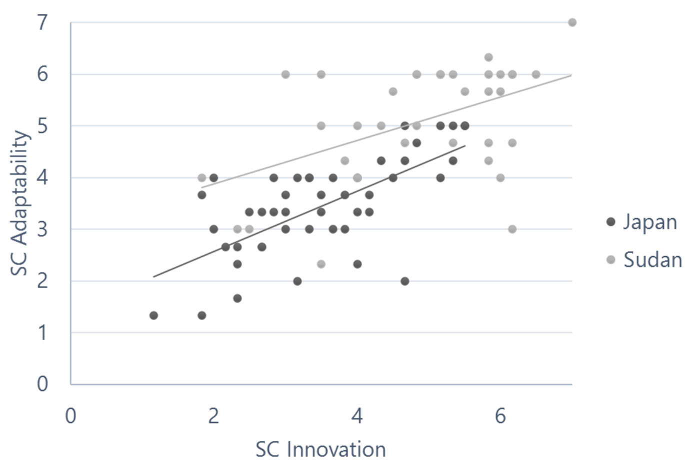

Figure 2. The Relationship between SC Innovation and SC Adaptability in Japan and Sudan
Source: the authors

To further illustrate the interaction effects, we plotted them in Figure 3 and Figure 4. In principle, as shown in Figure 3, Japanese firms with high and low levels of BD show an improvement in SCA when their level of SCI increases. However, the improvement for firms with high levels of dependence is significantly higher. Moreover, when Japanese firms have low SCI, those who are highly dependent on their suppliers have less adaptable SCs than those who are not as dependent on suppliers. However, as firms increase their SCI, the improved adaptability of firms with higher dependency surpasses that of firms with lower dependency on their suppliers.

For the Sudanese firms, illustrated in Figure 4, the situation is quite reversed. SCA is notably higher for highly dependent firms at low SCI. This advantage, however, starts to diminish as firms achieve more innovation to the point where SCA of less dependent firms exceeds that of the highly dependent ones at higher levels of SCI. Thus, we can conclude that high BD does not only hinder the positive improvements of SCI on SCA for the Sudanese firms, but it can also result in a reduced level of SCA.

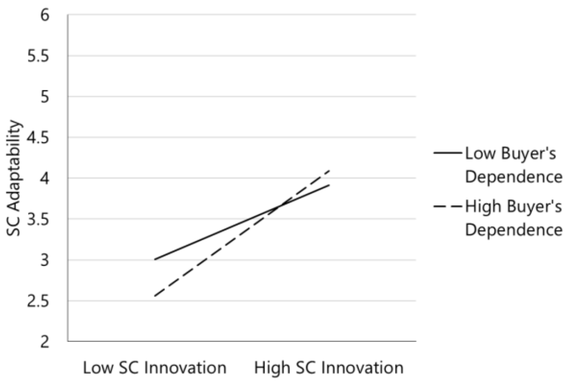

Figure 3. The Moderation Effect of Buyer's Dependence on the Relationship Between Innovation and Adaptability in Japan
Source: the authors

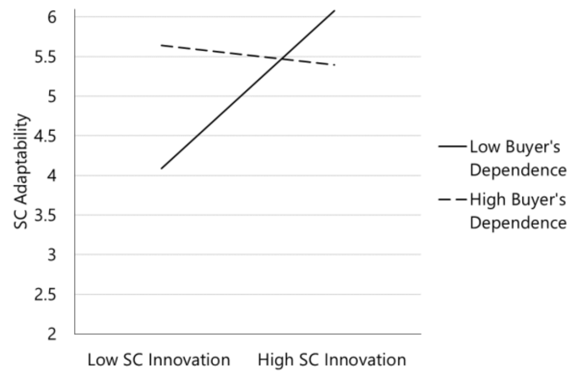

Figure 4. The Moderation Effect of Buyer's Dependence on the Relationship Between Innovation and Adaptability in Sudan
Source: the authors

Discussion

In the turbulent business environment that we witness nowadays, firms prioritize streamlining and improving their SC processes using relevant and advanced technologies to ensure quick responses to changes in the environment. As a result, the old notion of how SCs are managed is now shifting to accommodate the dynamic changes in the current environment, emphasizing building adaptability rather than efficiency. While they strive to achieve the required adaptability through SC innovation, firms' dependence on key suppliers may either hinder or help. An often-accepted assumption in the literature is that dependence on a dominant party has negative consequences for the dependent party (e.g. Huo et al. 2017), as dependence is considered the predominant construct driving opportunism (Hawkins et al. 2008). However, dependence itself may not be the cause of these negative outcomes; it is rather the exercised power and opportunistic behaviors from the dominant party that actually cause the adverse outcomes.

Our findings support previous studies which emphasized the role of innovation as driver of SC adaptability (e.g. Marin-Garcia et al. 2018, Wamba et al. 2020). Additionally, they explain how dependence of the buying firm on its suppliers, based on the individualistic-collectivistic nature of the society, can either strengthen or weaken the positive impact of innovation on adaptability. This varying moderating effect can be attributed to the dynamics of buyer-supplier relationships in collectivist vs individualist societies.

More specifically, we found that the positive effect of innovation on adaptability was reinforced in the presence of high buyer's dependence in collectivistic cultures. Due to their collectivistic nature, highly dependent buyers view their suppliers as part of their own group (Ketkar et al. 2012). This perception of unity increases the buyer's willingness to involve suppliers in innovation activities (Xiao et al. 2019), leading to more fruitful outcomes. Also, this sense of solidarity and harmony stimulate building trust and long-term orientation in buyer-supplier relationships (Cannon et al. 2010). In relationships characterized by trust and commitment, previous literature (e.g. Tangpong et al. 2010) proposed that adverse consequences of asymmetric dependency such as opportunism from the dominant party, i.e. the supplier in our context, will be mitigated. Our findings support these conclusions and reveal that, not only will negative impacts be avoided, but advantages for the dependent party could actually occur in such asymmetric relationships.

Conversely, according to our findings, higher levels of dependence from the buyer's side dampened the positive effect of innovation on adaptability in relatively individualistic cultures. The individualistic nature of the suppliers coupled by their perception of the buyer's dependence would trigger opportunistic behaviors (Chen et al. 2002, Hawkins et al. 2008) as well as the use of coercive and non-coercive powers against the dependent party (Huo et al. 2019). These relationship qualities reflect negatively on the buyers' position and impair their innovation competence and / or reduce its expected outcomes. As these buying firms strive to implement innovative process and technology improvements, their entrapment in a highly dependent relationship can further drain their resources to the point where the innovation projects intended for improving SC adaptability would lead to its deterioration.

Conclusions

The purpose of this study was to examine the impact of innovation in SC processes and technologies on the adaptability of the SC, taking into consideration how firm's dependence on its key suppliers might affect the innovation-adaptability relationship (in the cultural context). We proposed that SC innovation would lead to improvements in SC adaptability regardless of asymmetric dependence in the buyer-supplier relationships and culture. We further proposed that under conditions of high buyer's dependence on suppliers, improvements in adaptability generated by SC innovation would either be reinforced or dampened based on the individualism-collectivism dimension of culture.

Using samples from two culturally contrasting countries, we confirmed the role of innovation in building SC adaptability. In agreement with our hypotheses, we found that in collectivist societies, such as Japan, buyers' dependence enhanced the effect of innovation on adaptability. On the other hand, the innovation impact on adaptability was weakened under conditions of high buyer's dependence in relatively individualistic nations, such as Sudan. Our findings thus offer a reconciliation for the apparently contradicting extant literature on the advantages/disadvantages of asymmetric dependence in buyer-supplier relationships.

Recent research has explored various aspects of SC adaptability as a dynamic SC capability. Scholars have identified its antecedents such as Industry 4.0 technologies (Wamba et al. 2020), as well as its impacts on SC ambidexterity (Aslam et al. 2018) and operational performance (Kareem & Kummitha 2020). We add to this growing stream of literature by investigating and confirming the moderating roles of buyer-supplier relationships and culture.

Given the sparsity of studies addressing the buyer-supplier relationship management and SCI in African countries, especially Sudan, we believe this study contributes to bridging this gap by providing empirical evidence from a less researched country. We do not assume that a single cross-cultural study suffices to address these issues; instead, we merely suggest that our study be considered as one in the body of cross-cultural studies on the subject.

Implications for Managers

Understanding and addressing cultural differences is a prerequisite for the successful management of global SCs. Our findings are thus valuable to all firms engaging in inter-organizational relationships that transcend national boundaries. They assist SC managers to approach asymmetric dependence relationships powered by knowledge of their underlying cultural aspects, which allow to accurately assess and tackle their consequences. These findings are of greater value to managers of subsidiaries operating in countries characterized by different cultural values than their holding companies. They emphasize the importance of considering these differences in developing suitable procurement and supplier relationship management policies and practices.

Limitations and Future Research Directions

Countries with a complex socio-cultural fabric, such as Sudan, seldom have one dominant culture. To the best of our knowledge, only two studies (Cronjé 2006, Mansour et al. 2019) have empirically measured the Sudanese culture, and they resulted in conflicting outcomes. We thus encourage future research to bridge this gap to enable the advancement of research about Sudan.

The focus of this study was on only one dimension of culture: individualism vs collectivism. Other dimensions could be explored to provide additional insight. For example, the effectiveness of governance mechanisms aimed at reducing opportunism in outsourcing relationships was found to vary based on the *uncertainty avoidance* dimension of culture (Handley & Angst 2015). While contractual governance was more effective in low uncertainty avoidance cultures, relational governance worked better for cultures with high uncertainty avoidance. Similarly, we expect that this, and other, cultural dimensions to have varying impacts on our proposed model.

Aside from culture, other sources of heterogeneity, such as the institutional and development levels of countries, might be used as the basis of comparison. Given the complexity of the topic, we recommend future researchers to consider other theoretical perspectives. Moreover, the small size and the specific environments in which the study was conducted may limit the generalizability of the findings. The study findings can be further confirmed and/or extended by replicating it in other socio-economic contexts.

Bearing in mind the substantial declining in response rates (Stedman et al. 2019) and the associated cost, effort, and time required to achieve relatively high ones, a growing stream of literature (e.g. Fosnacht et al. 2017, Peytchev 2013, Phillips et al. 2016) is questioning the widely held assumption that lower response rates lead to biased results. For example, measures were found to reliable with response rates as low as 5 to 10 percent (Fosnacht et al. 2017, Wright 2015). In this study, the response rates in the two samples were 8 percent using mail survey in Japan, and 88 percent using face-to-face survey in Sudan. Such difference could be attributed to the survey modes as well as the country (Daikeler et al. 2020), as mail surveys are known to have much lower response rates than face-to-face interviews. Although high non-response rates does not in itself cause bias, it increases the potential for biased estimates (Massey & Tourangeau 2013). Future research could overcome the potential bias issue by replicating this study using comparable, larger datasets.

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How does quality experience affect customer's repeat purchase? Evidence from a call center in the Philippines

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Customer satisfaction management is expected to sustain firms and call centers by keeping customers. Adapting measures from the SERVQUAL model, the purpose of this research was to determine the factors contributing to the quality of customers' experience with phone support, and their subsequent impact on the repeat purchase of products. Using Ordinal Logistic Regression method, we analyzed respondents representing American customers encountered through Filipino technical support agents in a call center in the Philippines. With ranked ratings, findings indicate that wait time, communication, attitude, product, first call resolution (one call) have significant impacts on the overall customers' experience with the phone support. The quality of overall customers' experience has significant impacts on the likelihood of repeat purchase. Other factors relating to quality customers' experience and repeat purchase among call center customers of other products and services can be investigated to strengthen knowledge and strategy for a sustainable call center customer base.

Keywords: call center, customer satisfaction, repeat purchase

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Introduction

Customer experience became a relevant topic of discussion in the corporate world (Batra 2018). Customer services through websites, chats, and emails are widely accepted nowadays, but phone support remains to be preferred by many customers because of the intimacy in communication (Jewitt & Macley 2019). This empirical study validates the impact of the antecedents identified by SERVQUAL model on customer experience and repeat purchase of products (Li & Tsung 2013, Parasuraman et al. 1985). These factors are: the effects of wait time, communication, resolution, attitude, product, and first call resolution (FCR). Satisfied customers help sustain the call centers. The individual customers of call centers—as the units of analysis—measure customer satisfaction and provide feedback to continuously improve products and services. "Customer satisfaction is the complete fulfillment of one's expectations and an attitude or feeling that results from use of products and services" (Oliver 1980). It was found that contact service excellence had limited literature (Bueno, Weber, Bomfim & Kato 2019, Dharamdass & Fernando 2018). The determinants of excellence were people, hiring criteria for call center agents, training and development, rewards system, team structure and cross-functional coordination systems (Dharamdass & Fernando 2018).

In the review of related literature, there appears to be insufficient empirical observations about the factors that affect customers' experience and repeat purchase in the call center industry (Bueno et al. 2019). There were limitations on the number of studies, cases, and generalizability to validate the factors that satisfy the customers of call centers (Dharamdass & Fernando 2018). Further, there was insufficient attention to value capture and long-term socio-economic transformation, especially in the Philippines call centers (Kleibert & Mann 2020). Call center companies needed to be systematic and excel by continuously satisfying their customers through engaged employees, although, are not easy because call center agents were prone to mental and emotional exhaustion (Charoensukmongkol & Puyod 2020, Santos 2020).

A contextual limitation was the measurement of the impacts to customers if there was no interaction with service providers at all. There were also limited research topics studied about call centers. Govender and Essop (2016) studied the impact of outsourcing, a comprehensive financial comparison between outsourcing and an in-house call center, and the outcome of facilities on call center operations. However, Chicu, Ryan and Valverde-Aparicio (2016) viewed that the study of customer satisfaction in call centers did not receive much academic attention unlike the study of customer satisfaction in customer relationships that required personal communication.

Philippines is an ideal emerging market to conduct our investigations as it has more US-based clients (Hechanova, 2013, Macaraig 2010). Philippines also ranks as 2nd highest for communication and 5th best country for call center reliability (Lu, Thelen & Gregory 2020). As one of the biggest industries in the country, the Philippine call center continues to grow because of availability of great number of computer-literate and English-speaking talents and employees and generates more than $5.5b as one of the call center capitals in the world. Customer satisfaction with the call centers and the timely responses to requests, inquiries, or complaints are some of the focused areas that are taken care of by phone support firms to gain advantage over competition (Rendon et al. 2017). Manaka and Thangadurai (2017) argue that customer relation management is vital to business development through reinforcement of profitable environment and the improvements of products and services with deep customer knowledge of customer opinions. An emphasis on customer service to prevents customers from switching to alternative products and services (Oodith & Parumasur 2015). Current roles of firm's call center include customer management by call center agents for customer interaction and loyalty through ease, quality and speed of communication, and access to ensure great customers' experience and performance effectiveness of a call center. Baraykar, Tatoglu, Turkyilmaz, Delen and Zaim (2012) emphasize the concept of customer satisfaction and loyalty. The higher customer satisfaction and loyalty lead to stronger competitive position that contributes to greater market share and profitability (Baraykar et al. 2012).

The purpose of our study is to address, how does quality experience affect customer's repeat purchase in phone support? Specifically, we aim to answer: What are the significant predictors of the overall quality of phone support customers' experience? What are the impacts of the overall quality of phone support customers' experience on the likelihood of repeat purchase?

In the following sections we present our conceptual framework, develop hypotheses, present findings and discuss their relevance for marketing managers in the context of call center.

Conceptual Framework and Hypotheses Development

Most of the reviewed literature about customer satisfaction in call centers lacked number of cases and struggled to generalize the results. Govender and Essop (2016) considered the study of only one company as a limitation to generalize research outcome with other companies. Muswera, Jordaan and Matikiti (2014) implied that there was a need to establish quantitative and longitudinal research results about customer satisfaction in call centers that satisfied random sampling method on respondents and data gathering. Chicu et al. (2016) delivered a theoretical contribution instead of empirical research on customer satisfaction phenomena in remote service and found out that human service quality leads to customer satisfaction. Muswera, Jordaan and Matikiti (2014) considered the measurement of perceived service quality in terms of expectations and customer perceptions at the same period as a limitation of their research on respondents' perceptions of call center service quality.

To understand the call center operations, both customer and agent behavior must be given full consideration about their roles in the service system (Ellway 2016). The SERVQUAL model (Parasuraman et al. 1985) and the framework of Jaiswal (2008) pointed out that resolution of concerns, wait time, communication, attitude, product quality, first call resolution (FCR) and length of time to resolve concerns have significant impacts on the overall satisfaction of the customers on the quality of their experience. Experiences of customer satisfaction and quality experience led to repeat purchase, customer loyalty and sustainable business (Aburayya et al. 2020). Figure 1 presents graphical representations of the hypotheses that we intent to test empirically.

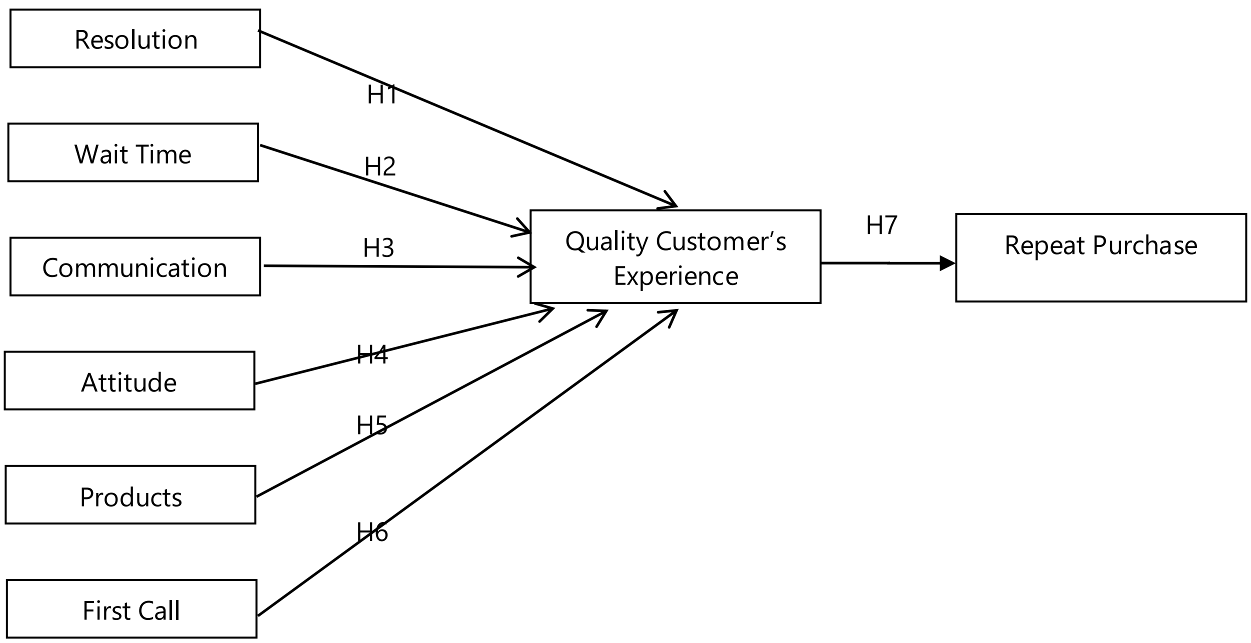

Figure 1. Conceptual Framework
Source: Lao & Pasco (2018); Adopted from Parasuraman et al. (1985)

Resolution and Quality of Customer Experience

When it comes to resolution and customers' experience, few comments were received from several research and indicated the weak curiosity in this factor (Markoulidakis, Rallis, Georgoulas, Kopsiaftis, Doulamis & Doulamis 2020). Bhale and Bedi (2021) cited Soderlund & Rosengreen (2008) that politeness, empathy on customers and resolution of customer complaints may lead to customer satisfaction or quality customers' experience. Mehrotra, Ross, Ryder & Zhou (2012) measured overall call center performance and customers' experience with resolution rate that involved no follow up by customers. With the speed and clarity in communication with customers, the extent to which call centers integrated CRM technology to its strategic business units might be highlighted by success from call resolution before expecting any positive impact on caller satisfactions (Abdullateef et al. 2011). The results somewhat contradict the model of Jaiswal (2008). So we test our first hypothesis:

H1. Resolution has significant impact on the overall rating of customers on the quality of their experience with phone support.

Wait Time and Quality of Customer Experience

Wait times were valuable when related to quality products and services (Giebelhausen et al. 2011). Giebelhausen, Robinson, and Cronin (2011, p 898) implied that "when marketers strive to eliminate waiting time, they might not only forgo an opportunity to increase consumer satisfaction, but they might be actively suppressing it." Kumar (2012) argued that wait times in a call center are typically large, and the call center is not open 24/7. However, customers can find precise answers to their queries from the CSRs. As moderated by characteristics of web portal, the usage of web portals increased if the information involved were unambiguous. Garcia, Archer, Moradi and Ghiabi (2012) concluded that although there are waiting times, informative satisfactory answers and top of the line service keep customers satisfaction and positive experience. Low wage segments were more sensitive to waiting time than high wage segments (Xia, Chen, Jayaraman & Munson 2015). Understanding customer patience behavior is essential in call center management with changes in wait time sensitivity based on different service disciplines and types (Aksin, Ata, Emadi & Su 2013). Our proposed second hypothesis is:

H2. Wait time has significant impact on the overall rating of customers on the quality of their experience with phone support.

Communication and Quality of Customer Experience

Communication is the key to adoption of new technology to ensure adoption of self-service more readily (Oodith 2019). Rendon, Vasquez, Benjumes-Arias & Valencia-Arias (2017, p 15) concluded that "the service in the call centers and timely response to requests, inquiries, or complaints, and an effective service were among the factors that mostly influenced the satisfaction of users of telecommunications services." Abdullateef et al. (2011) also investigated that technology-based customer relations management (CRM) influenced perceived service quality. According to Agarwal, Singh and Thakur (2013), call center itself is a major communication channel for customers. Emphatic communication can help mitigate tensions in customer calls but objective communication, genuine emotional support, affective and cognitive empathy in communication can influence call resolutions and customer experiences (Clark, Murfett, Rogers & Ang 2013). In contrast, Saberi, Hussain and Chang (2015) argued that firms utilized call centers to enhance the communication to customers and found that lack of data integrity was an important issue to be managed by call centers. But Agyapong (2011) concluded that the dimensions of SERVQUAL model such as competence, courtesy, tangibility, reliability, responsiveness and communication affect customer satisfaction in telecommunications industry. Park, Chung, Gunn and Rutherford (2015) found that effective communication and e-listening was highly related to interpersonal service quality and utilitarian value. Moreover, Lew, Walther. Pang and Shin (2018) then incorporated aspects of interactivity in communication to the social information processing (SIP) theory of computer-mediated communication that addressed the conversational behaviors that influence interpersonal relations. We present our third hypothesis.

H3. Communication has significant impact on the overall rating of customers on the quality of their experience with phone support.

Attitude and Quality of Customer Experience

Chicu et al. (2016) gave importance to positive human resources practices to increase the performance of call center employees in terms of burnt-out, absenteeism, and attrition. It became the task of the firm's call center to cradle customer interaction, attitude, and loyalty through ease and speed of access, quality and ease of communication with call center agents (Oodith & Parumasur 2015). Attitude was important to look at in developing quality customer experience. Rafaeli, Ziklik and Doucet (2008) cited Loveock (2001) and Tansik & Smith (2000) that scripts were utilized to overcome the differences in attitudes and kept quality interactions between employees and customers. However, Agarwal et al. (2013) argued that tangibility and empathy have weak impacts on service quality and customer satisfaction. Akesson, Edvardsson and Trobvoll (2014) identified favorable and unfavorable customer experience drivers that guide value co-creation and explain how the flow of value co-creation helps form customers' experiences. The experience drivers were grounded in norms and rules within the specific context in which actors create meaning through communication activities. Further, convenience, credibility, employees' competence and compassion, and service context are factors on customer experience (Wasan 2018). Furthermore, Alcover, Chambel and Estreder (2020) showed that the level of performance-contingent rewards (team-level) guided the team's autonomous motivation (team-level) and fostered employees' affective commitment (individual-level). Labach (2010) concluded that the attitude of customer service representatives were vital to overall customer experience. Our fourth hypothesis is as follow:

H4. Attitude has significant impact on the overall rating of customers on the quality of their experience with phone support.

Product and Quality of Customer Experience

Bueno, Weber, Bomfin and Kato (2019, p 15) confirmed that products and services are related to customer experience and categorized dimensions such as "predispositions, interactions, and reactions." Also, services delivery affect customer experience (Bhale & Bedi 2021). Agarwal et al. (2013) noted that responsiveness and reliability affect customer satisfaction. Van Dan, Blemer and Henseler (2011) argued that product information and the suitability of products to customer's situation influences quality customer experience. In support, Sheth, Jain and Ambika (2020) reiterated that product is a fundamental marketing mix that affect customer experience. It seemed that the role of post-sales customer support such as delivery, installation, maintenance, financing, response to complaints and other questions that customers have after the purchase, while using the product were absent in the market because markets focus on the buyer and not the user (Sheth et al. 2020). Simply, Alfa, Addae, Inkumsah and Amponsah (2021) found that there was an association between satisfaction and loyalty behavior although better customer satisfaction was not an enough basis for consumers' loyalty. As customer satisfaction measured the ways companies supply products and services, customer satisfaction also assessed the product use experience compared to the buyer's value expectations (Razak & Shamsudin 2019). Customer experience was commonly measured based on quality of products and services. Maklan and Klaus (2011) recommended to maximize the drivers of financial performance, like loyalty, satisfaction and share-of-wallet. We present our fifth hypothesis:

H5. Product has significant impact on the overall rating of customers on the quality of their experience with phone support.

First Call Resolution and Quality of Customer Experience

Govender and Essop (2016) defined customer experience as the personal interpretation of the service and quality provided by the firm wherein the knowledge of agents, friendliness, and first call resolution (FCR) that affected customer experience in call centers. FCR were proven to be statistically related to repurchase, but insistence and repeated calls were removed since no significant relationship was found (Fernandes, 2013). Batra (2018) also argued that first contact resolution (FCR) and succeeding contacts affect customer experience and that a poorly handled FCR can stop a supplier-customer relationship. Clearly, Sultana (2008) recognized the importance of quality customers' experiences from the effectiveness and efficiency of call centers as determined by first call resolution rates. Labach (2010) cited Levin (2007) that there was one percent improvement in customer satisfaction for every one percent improvement in first call resolution. Our sixth hypothesis to be tested is as follow:

H6. First call resolution has significant impact on the overall rating of customers on the quality of their experience with phone support.

Quality of Customer Experience and Repeat Purchase

Park (2020) ranked the evaluation factors for service quality as interaction quality tagged as the most important, followed by outcome quality and physical environment quality. Such study was a guideline for establishing a standard for the service quality of customer center in practice (Park 2020). The high level of customer orientation positively influenced quality of service and eventually resulted in consumer loyalty and satisfaction (Aburayya, Marzouqi, Alawadhi, Abdouli & Taryam 2020). Park, Chung, Gunn and Rutherford (2015, p 49) concluded that "e-listening was related to interpersonal service quality and utilitarian value, while the interpersonal service quality was directly related to e-satisfaction and e-loyalty in e-contact centers." Lestari and Ellyawati (2019) proved that online service quality (ease of use, website design, security assurance, responsiveness, and personalization) affected repurchase intention and satisfaction. Sarrab, Elbasir and Alnaeli (2016, p 100) described a model of "mobile learning service quality, including availability, fast response times, flexibility, scalability, usability, maintainability, functionality, functionality, reliability, connectivity, performance, user interface and security that are dependent on learner satisfaction." Customers' experience was determinant in future purchase behavior considering both positive and negative experiences were the main antecedents of mobile phone renewal, upgrading or switching behaviors (Alshurideh, Nicholson & Xiao 2012). Any company increased the customer experience by improvement of consumer service delivery (Bhale & Bedi 2021). As cited in Lemon and Verhoef (2016, p 78), "customers develop relationships with brands (Fournier 1998), which influence their identity (Bhattacharya & Sen 2003), customer decisions become routinized (Sheth & Parvatiyar 1995), and extraordinary experiences have long-lasting effects (Arnould and Price 1993)." In the case of Airbnb customer experience home benefits, personalized services, authenticity, and social connections significantly affect customers' behavioral intentions such as repeat purchase and customer loyalty (Li, Hudson & So 2019). Customer experience was important in loyalty programs, because a positive experience regarding the benefits that loyalty programs offer influence the customers' acceptance, interaction, purchasing and higher repeat purchase (Alshurideh et al. 2012, Verhoef et al. 2009). A strong customer orientation influences positive customer evaluations as compared to the differences in the locations of call centers (Walsh, Gouthier, Gremler & Brach 2012). Our final hypothesis is:

H7. Quality customers' experience has significant impact on the likelihood of repeat purchase

Methodology

This study was a quantitative, causal, and cross-sectional research. The ordinal data were determinants in the choice of non-parametric statistical tests- ordinal regression that had no assumptions tested (Hair, Black, Babin & Anderson 2010). This cross-sectional study followed a survey type of research method. Ordinal logistic regression was used to build models, generate predictions, and to evaluate the importance of various predictor variables in cases where the dependent was ordinal in nature (Hair et al. 2010).

The researchers analyzed selected American customers from SME firms under phone support encountered through Filipino technical support agents in a call center. The respondents are the customers of one of the global leaders in providing networking products, routers and cameras and these include products and services catered by a call center based in the Philippines. There are at least 25,000 daily callers from USA and Canada to phone support concerning connection issues, inquiries on product features, first-time set-up, refunds as well as products and services complaints. The 5,803 customers have complete responses on the survey questions, within the period of 2010 to 2016. Majority of respondents use the network products and routers for personal use, or as affiliate of large enterprise and SMEs. The knowledge, smaller scales, limited capital, lack of expertise, and fewer workforce, in documentation, logistics, communication, and maintenance of information technologies made SMEs to be receptive to external support (Patmore & Haddoud 2015).

The SERVQUAL model (Parasuraman et al. 1985) was the theoretical foundation of this research. The model mostly focused on the customers' perspective that defined service quality in the aspects of reliability, assurance, tangibles, empathy, and responsiveness. In a common call center, customers could rate their experience, on a scale of 1 to 5, in areas that included first call resolution (FCR), attitude of the customer service representative, the speed of the response and other related parameters (Li & Tsung 2013). The SERVQUAL model evaluated characteristics of personnel behavior and the importance of its customer orientation as a key component of service quality (Valeeva et al. 2020).

The questions used in the study came from a 25 item-questionnaire and were deployed in the regular survey of the company. The questionnaires were adapted from the dimensions of SERVQUAL model (Parasuraman et al. 1985). The dependent variables of this research were the overall rating of customers to the quality of their experience with Phone Support (overall) and the likelihood that a customer repeats his/her purchase of the product (repeat).

Analyses and Results

Our model gave significant improvement over the baseline intercept-only model. Wait time, communication, attitude, product, and first call resolution (FCR) significantly impacts on the overall quality customers' experience and have good model fitting as measured by -2 log likelihood (1736, $p<.05$) and chi-square (4577, $p<.05$). Wait, product, communication, FCR and attitude moderately explained the overall customer experience with pseudo r^2 values with Cox and Snell (.409) and Nagelkerke (.47). Quality customers' experience impact on repeat purchase have moderate strength explanatory power with pseudo r^2 values with Cox and Snell=.63 and Nagelkerke=.74 (Hair et al. 2010).

The phone support company investigated in this research was doing a great job in measurement of overall customer experience because majority of the customers rated positively their satisfaction and relationship. About 57.1 percent out of the 5,803 customers, gave a rating of excellent; about 24 percent mentioned that the experience was very good; and, approximately 7 percent rated the experience good. Considering only those customers who responded (5,706), those three positive answers account for 88.8 percent. The ordinal regression coefficient denotes the impact on quality customers' experience for every 1.00 improvements in each specific factor (Hair et al. 2010). The frequency distribution of overall customers' experience had higher categories (4=Very Good, 5=Excellent) and higher percentages, hence more probable. The coefficients, Pearson's chi-square test, and p-values were listed, as shown in Table 1.

Table 1. Ordinal Regression Coefficients and Chi-Square Values with Overall Customer Experience

Variables	Estimate	Wald, p-value	number of valid cases	x^2	p-value
Resolution	-.45	.70	5634	2159.64	.00
Wait Time	1.01	.00	5416	2349.28	.00
Communication	1.00	.00	5453	5163.65	.00
Attitude	1.09	.00	5446	4771.88	.00
Product	2.81	.00	5302	4231.80	.00
First Call Resolution	-.64	.00	5674	846.59	.00
Quality of Overall Customer Experience--> Repeat Purchase	.72	.00	5803	1014.38	.00

Notes:
Resolution: 0- No, 1-Yes
Quality of Overall Customer Experience: Wait Time, Communication, Attitude, and Product: 5-Excellent, 4-Very Good, 3-Good. 2-Fair, 3-Poor
First Call Resolution: 1-One Call, 2-Two Calls, 3-Three Calls, 4-Four Calls

Discussion

There is an indication of dependence between *resolution* and *quality of customers' experience* with phone support (x^2=2159.64, *p*=.00). But the ordinal regression coefficient was not significant (Wald test=-.46, *p*= .70), as seen in Table 1. Several research showed weak interest on the influence of resolution and customers' experience (Markoulidakis et al. 2020). Even Bhale & Bedi (2021) cited Soderlund & Rosengreen (2008) that resolution of customer complaints "might" lead to quality customers' experience. Mehrotra et al. (2012) measured was right in noting that resolution with no follow up by customers might be prerequisites. Abdullateef et al. (2011) might only indicated that call resolution was important before expecting any positive impact on caller satisfactions.

Wait time has significant impact on the quality of customers' experience with phone support (Wald test=1.01, *p*=.00; x^2=2349.28, *p*=.00). Giebelhausen et al. (2011) have similar contentions in giving stronger importance to the impacts of wait time on customer experience. Rendon, Vasquez, Benjumes-Arias & Valencia-Arias (2017, p 15) is similar in its conclusion that "the service in the call centers and timely response to requests, inquiries, or complaints, and an effective service were among the factors that mostly influenced the satisfaction of users of telecommunications services." Also, wait times were valuable when related to quality products and services (Giebelhausen et al. 2011). The results are also aligned with the findings of Giebelhausen et al. (2011), and Kumar (2012). Garcia et al. (2012) emphasized satisfactory information while Xia et al. (2015) identified low wage segments and Aksin et al. (2013) identified customer patience behavior as other related factors to consider.

Communication has significant impact on the quality of customers' experience with phone support (Wald test=1, *p*=.00; x^2=5163.65, *p*=.00). The results are supported by the research of Ooodith (2019), Rendon et al. (2017), Park et al. (2015), Agarwal et al. (2013) and Abdullateef et al. (2011) although different instruments and media in communication were involved in satisfying customers with quality experience. The result of this research was also explained by the impact of interactivity (Lew et al. 2018), emphatic communication (Clark et al. 2013), and by the SERVQUAL Model (Agyapong 2011).

Attitude has significant impact on the quality of customers' experience with phone support (Wald test=1, *p*=.00; x^2=4771.88, *p*=.00). This research matched the premises of Oodith & Parumasur (2015) that it became the task of the firm's call center to cradle customer interaction and loyalty through ease and speed of access, quality and ease of communication with call center agents. The importance given by Chicu et al. (2016) emphasized the positive human resources practices to increase the performance of call center employees in terms of burnt-out, absenteeism, and attrition was valuable. The importance of attitude on quality customers' experience were also supported by Wasan (2018), Akesson et al. (2014), and Rafaeli et al. (2008). Alcover et al. (2020) found that motivations and commitment among the call center agents were significant and vital. However, the results contradicted the arguments of Agarwal et al. (2013) that attitudes, tangibility and empathy had weak impacts on customer satisfaction.

Product has significant impact on the quality of customers' experience with phone support (Wald test=2.81, p=.00; x^2=4231.80, p=.00). Product, as the main deliverable, is the most significant predictor of quality customer experience. Customer experience was commonly measured based on quality of products and services. The results of this research corroborated with Alfa et al. (2021), Bhale and Bedi (2021), Sheth et al. (2020) and Bueno et al. (2019) that products and product quality affect customer experience. Van Dan, Blemer and Henseler (2011) has relevant argument that product information and the suitability of products to customer's situation influences quality customer experience. Again, as customer satisfaction measured the ways companies supply products and services, customer satisfaction also assessed the product use experience compared to the buyer's value expectations (Razak et al. 2019). The conditions pointed by Maklan and Klaus (2011) like the drivers of financial performance, loyalty, satisfaction, and share-of-wallet deserved merit.

First Call Resolution (FCR) has significant impact on the quality of customers' experience with phone support (Wald test=-.64, p=.00; x^2=846.59, p=.00). Park et al. (2015) and Sarrab et al. (2016) are correct in claiming that FCR and interpersonal service quality have significant impacts on the overall satisfaction of the customers on the quality of their experience. Govender and Essop (2016) and Labach (2010) converged with this research in including FCR as an element of quality customer experience. Batra (2018) and Sultana (2008) are aligned in arguing that first contact resolution (FCR) affect call center effective performance. In contrast, this research is different from the works of Fernandes (2013) because first call resolution was not related to repurchase behavior.

Quality Customer's Experience has significant impact on the likelihood of repeat purchase with phone support (Wald test=.72, p=.00; x^2=1014.38, p=.00). Not all of the antecedents in the SERVQUAL model of Parasuraman (1985) determined quality overall customer experience. Such results did not support the claim of Jaiswal (2008) that service quality management in call centers disregarded customers. The results are contradictory to the results of Park (2020) that interaction quality is the most important dimension of customer experience, because products and outcome quality are the top values of the respondents of this research. Aburayya et al. (2020), Park (2020), Sarrab et al. (2016) and Park et al. (2015) are right in claiming that satisfied customers from product and communication influenced customer experience and then repeat purchase. The arguments of Lestari and Ellyawati (2019) that online service quality (ease of use, website design, security assurance, responsiveness, and personalization) affected customer satisfaction and repurchase intention were validated. Customer interaction and loyalty through ease and speed of access, quality and ease of communication with call center agents were determinants of repeat purchase (Oodith & Parumasu 2015). On the other notes, Bhale and Bedi (2021), Li et al. (2019), Lestari and Ellyawati (2019), Lemon and Verhoef (2016), and Alshurideh et al. (2012) are similar in explaining the positive relationships between quality customer experience and repeat purchase or customer loyalty, while describing possible interventions of personalized approach, different locations, and regular interactions.

Conclusion

To enhance repeat purchase phone support products and services, call center firms need to keep high overall ratings of customers to their experience with phone support by managing product, attitude, wait time, communication, and first call resolution. Repeat purchase and customer loyalty are results of regular interactions, personalized approach, context of locations, setting values, commitment, training, time allocation and reinforcements. Products and product quality, that highlight clear information, suitability on the customers, and relevant situations, are the most important predictors of quality customers' experience in phone support. Prevention of customers' complaints from happening is a must because majority of customers are not patient with headaches and concerns, a major reason why resolution was not significantly relevant to improve quality customers' experience and repeat purchase. First call resolution indicates chance of recovery of quality customers' experience by relieving pain points at fastest possible time. The quality of products, the perceived caring of the call center agents in the communication and interaction are truly important to keep positive customer experience. The overall customers' experience affects repeat purchase because of the developed confidence over time and the customers' expectations being met.

The COVID-19 pandemic reduces much economic activities and countries such as the Philippines and emerging markets need to rebound (Lim 2020). Call centers are the fastest growing industry in the last decade in the Philippines because of development of satisfied clients (Santos 2020). Call centers created more jobs (Kelibert & Mann 2020). To be strengthened in call center strategies, customer orientation is essential in the trade sector through prompt response to additional and new consumer requests, feedback towards creation of value in all management processes of the distribution network (Valeeva, Bagrova, Gatina & Federova 2020). Throughout Asia in recent decades, automation, digitalization, the Internet, and advanced technologies utterly transform emerging economies, livelihoods, labor markets, and workplaces. Hundreds of millions of laborers were lifted out of poverty as new technology applications created new jobs and industries to drive global integration and prosperity (Mulakala 2019).

Implications for Managers

By enhancing operational excellence, managers are encouraged to promote accurate and reliable products and services. It is further recommended for the call center companies to provide focus on how to communicate caring to customers catered by call centers in their strategies, innovation, and continuous improvement. Reinforcements on caring the customers through programs, recognition, and incentives to call center agents and employees are suggested interventions to keep positive attitude. Moreover, other firms and call center agencies are encouraged to deploy innovative and effective ways to increase repeat purchase by clients from quality customer experience, as guided by the interrelationships between the variables in this study.

For future research, the scale parameters are needed to be specified to check whether non-significant predictors like resolution are significant mediators or moderators. The researchers also suggest future researchers to expand the lists of predictors, such that covariates or continuous predictors are included. The researchers encourage other studies to compare results of customer satisfaction survey of other call centers, products, and services. There is an opportunity to develop a model and equation related to this study. The researchers also encourage the firms and the academia to design human resources practices through human resources management to safeguard the performance of call center employees in truly satisfying their customers (Chicu et al. 2016).

This study has limitations in that it is limited to the regular survey conducted by a single call center firm in the Philippines. The products and services involved are also limited to phone support, network products and routers. The design of this research was limited to non-parametric tests of ordinal data and access to customers a phone support company. However, the use of ordinal logistic regression as a statistical tool is a differentiation from those cited. This study also implied that it was more important and impressive for customers to experience the quality of customer services and relationship, regardless of the resolution or non-resolution of the issues and concerns about networking and router products, services, and phone support.

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Cross-cultural context endorsement in visual e-commerce: A study of Dutch and Indian female consumers

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This study aims to investigate context in advertisements, with a focus on cultural preferences of online consumers. For this, Hall's context model is used that differentiates between high/low context messages and cultures. In this investigation, context adaptation is created through different types of celebrity-product match endorsements. In an experimental survey, Dutch and Indian female consumers judged two versions of an Instagram advertisement in which a celebrity (Mila Kunis) endorses Nike sports shoes. The static display context version of the advertisement co-presented the celebrity. In the dynamic display context version of the advertisement, she was shown to be actively wearing/running in the sports shoes. The data suggest culturally specific contextual preferences that influence the attitudes and purchase intentions of the two cultural groups. For the Dutch consumers, the product match, the celebrity credibility and the purchase intentions were different because of the static-context advertisement when compared with the dynamic display context advertisement. However, this was not observed in case of the Indian consumers.

Keywords: consumer behavior, cross-cultural, endorsement, context, Hall, Hofstede

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Introduction

The social media platforms' popularity has changed the way consumers communicate and inform themselves in the purchasing process. As the time spent on these platforms is rising, social commerce has become a new trend in online marketing strategies. Social media provide a good opportunity for products' customized visual marketing, as they connect companies directly with the consumers through photos and videos. Instagram particularly plays an increasingly important role in marketing communications for fashion brands due to the perceived trust and essential facets of the visual elements in promoting products (Djafarova & Bowes 2021). In cyberspace, consumers shop more globally, but they think locally, hence the globalization of e-commerce has implications for online marketers. They need to consider whether standardization of (international) marketing communications is appropriate for different local markets. Cultural adaptation to local preferences can enhance the persuasive effectiveness of the message. Consumers living in common society share behavioral and communication patterns distinctive from other cultures. Nevertheless, globalization results in amalgamation of traditions and beliefs of different cultures. However, the culture "pre-programming" (Hall 1976, Hofstede 2001) leads to culturally-specific preferences (Choi et al. 2020).

One of the most widespread marketing types is celebrity endorsement. Endorsement of a product through a celebrity is an effective strategy in marketing communications (Muda et al. 2017, Wang et al. 2013). Lately, the impact of celebrities as social influencers is growing in popular culture. They are able to create an intense impact on brands (Schimmelpfenning & Hunt 2020). Therefore, the majority of cross-cultural studies have been conducted in the U.S. However, in Asian countries, celebrity endorsement is considerably more prevalent, compared to Europe and the U.S. (Bergkvist & Zhou 2016). Specifically, in emerging markets, there is a dilemma whether to global standardize or localize the celebrity endorsing. For example, in the Chinese market, Yu and Hu (2020) analyzed 42,121 posts for 32 luxury brands (like Armani and Dior) on Weibo (the Chinese version of Twitter). They found that localized endorsements by female celebrities, like Fan Bingbing (范冰冰) or Wang Fei Fei (王霏霏) could provoke more social media interaction (through liking, commenting, or reposting) than standardized celebrity endorsements, like Nicole Kidman or Anne Hathaway. This endorsement effect was moderated by Chinese patriotism (i.e. in-group favoritism). The actual practice in emerging markets reflects cross-cultural variations and provides useful insights and new contributions. Several studies on specific emerging market countries overview celebrity endorsement strategies in marketing communications, such as Freire et al. (2018) for Brazil, Roy et al. (2019) and Wang et al. (2020) for China, and Nyamakanga et al. (2019) for South Africa. The most influential celebrities are, undoubtedly, those in India, who enjoy a high (almost divine) status while appearing in marketing communications (Parmar et al. 2020). Even though more and more studies are conducted in emerging markets, we still do not know whether the same persuasive processes of Western celebrity endorsements are useful in Asian cultures (Knoll & Matthes 2017). This is the focus of the present study, which is an expansion on an earlier study on visual e-commerce, wherein similar cultural (female) groups participated (Broeder & Rutten 2017, Broeder & Goorden 2019). The aim of this study is to unravel the effects of celebrity endorsements, differentiated by the cultural orientation of online consumers. Through varying the presence of a celebrity in an Instagram shopping context, we intend to create more or less persuasive endorsement.

The paper is structured as follows: First, two most commonly used paradigms in cross-cultural investigations are described, the one by Hofstede (2001) provides culturally-related consumer specifics; and the second one is Hall's contexting theory (1976), in which cultural preferences of consumers can be determined on the basis of the degree to which the persuasiveness is implicitly expressed in the context of Instagram advertisement. Second, three commonly used celebrity endorsement models are described, with endorsement being evoked by the degree to which consumers perceive the celebrity as (1) attractive, (2) credible, or (3) fitting with the endorsed product (Erdogan 1989, McCracken 1989). Several meta-analytic reviews of celebrity endorsement investigations are available, such as Amos et al. (2008), Bergkvist and Zhou (2016), Halder et al. (2021), Knoll and Matthes (2017), and Schimmelpfennig and Hunt (2020). Dealing primarily with Anglo-Saxon investigations of (international) Western celebrities, these meta-analyses are supplemented with a detailed account of recent studies investigating (local) celebrity endorsement strategies in non-Western emerging markets.

To this purpose, the method and Instagram advertisement used for the experimental survey are presented. We compare female consumers from the common Asian culture (India) and consumers from a Western-European culture (the Netherlands). Detailed results for testing the four working hypotheses are provided. The article ends with a conclusion and some practical managerial implications.

Literature Review and Hypothesis Forming

Cultural Differentiations

A useful paradigm for unravelling culturally-determined preferences of consumers is the high/low context theory by Hall (1976) and Hall and Hall (1990). In high-context cultures, the message is "one in which most of the information is either in the physical context or internalized in the person, while very little is in the coded, explicit, transmitted part of the message" (Hall 1976, p. 91). Asian cultures usually prefer high-context messages. Establishing the message's meaning is the minor (needed) activation of the context that consists of pre-programmed, culture-specific cues. Members of these cultures are used to implicit and indirect messages (with visual associations). For example, in a high-context advertisement, the celebrity endorser only wears the sports shirt, thereby suggesting that the shirt feels great and should be bought by the consumer. In social media marketing investigations, there is evidence that high-context messages are generally more focused on facets such as emotion and entertainment (Choi et al. 2020).

In contrast, in low-context cultures, "the mass of the information is vested in the explicit code" (Hall 1976, p 91). Members of these cultures are used to direct and explicit messages (visually and verbally). Western cultures usually prefer low-context messages, where information is expressed more through words. For example, in a low-context advertisement, the celebrity endorser wears the shirt and provides verbal persuasive cues (The best buy to try). Low-context social media messages generally elaborate concrete product-related features, such as price discount (Choi et al. 2020)

Overview studies by Cardon (2008), Kittler et al. (2011), Lamoreaux and Morling (2012), and Baniya (2017) showed that the high/low context construct is more or less successfully applied in a variety of cross-cultural investigations. Therefore, it is remarkable that findings on cultural contexting are blended and diverging, while empirical evidence is often missing (Broeder 2021). Recently, several studies have investigated emerging markets with different high/low context cultures. For example, Patel et al. (2020) found that the green self-identity of American consumers has influenced the attitude more than behavioral control (purchasing green products), while the reverse was true for Indian consumers.

Hall's (1976) cultural contexting paradigm is related to the degree of uncertainty avoidance of consumers. Specifically, Hofstede's (2001) cross-cultural model, replicated by Minkov and Kaasa (2021) is germane for the present study. Cultural differences in uncertainty avoidance refer to "the extent to which the members of institutions and organizations within a society feel threatened by uncertain, unknown, ambiguous, or unstructured situations" (Hofstede 2021). Societies vary regarding consumer innovativeness in adopting and following new technology (such as smartphones and use of internet) (de Mooij 2017). Therefore, more certain and predictable social order should be agreed upon, with rules that limit its members' behavior. By combining the theories by Hall (1976) and Hofstede (2001), the following hypothesis is formulated:

H1. Context type influences the behavioral intentions of consumers from different cultures (differentiated by uncertainty avoidance and high/ low context).

This study compares and investigates the preferences of Indian consumers and Dutch consumers (from the Netherlands). The cultures of India and the Netherlands reveal a contrasting difference in the degree of context used in a persuasive message, according to Hall (1976). At the one end, India is a typically high context culture and, at the other end, the Netherlands is a typically low context culture. Hofstede's (2001) theory of cultural dimensions anticipated a relation between the degree of collectivism/individualism and high/low context in cultures. In collectivistic cultures information is exchanged more implicitly between group, with less need for explicit communication than in individualistic cultures. India is a collectivistic culture with high uncertainty. The Netherlands is a high individualistic culture with low uncertainty avoiding. Indian consumers preferably avoid ambiguous or uncertain (online buying) situations. Accordingly, they might be more effected by adding visual information cues in an Instagram advertisement compared to Dutch consumers.

Source Attractiveness Model

The source attractiveness model assumes that a celebrity is known through exposure (familiarity) and liked because of appearance and behavior (likability), while resembling the consumer (similarity). In their meta-analysis, Bergkvist and Zhou (2016) concluded that using celebrity endorsers in marketing communications had a positive effect on purchases; persuasion increased when celebrity attractiveness was high. The persuasive efficacy is successfully attained through the Halo effect. Thus, in Malaysia, Dom et al. (2016) noted that, when a good-looking celebrity was used in an advertisement, consumers' first impressions were positive even before the products were looked at. In a similar vein, Thomas and Johnson (2016) investigated the emerging market in India (Kotayam), where the celebrity was Mohanlal, an Indian actor, who was endorsing energy conservation in a television advertisement. They found that a higher degree of perceived attractiveness was related to higher purchase intentions, which was mediated by participants' perception of the overall advertisement.

Celebrities' attractivity is not restricted to physical attractiveness, as other characteristics are included, such intellectual skills, personality, or lifestyle (Erdogan 1999, McGuire 1985). Nevertheless, investigations show that physical attractiveness is the most determinant attractivity factor for celebrity endorsers in an advertising context to get the desired attention from online consumers (Agam 2017). For example, in the metropolitan city of Karachi, Pakistan, Khan et al. (2019) found that celebrities that are perceived as attractive, classy, elegant, and beautiful, stimulate purchase intentions. In Nepal, Baniya (2017) surveyed consumers residing in Katmandu Valley. They evaluated a list of advertisements regularly shown in the media, with celebrity names, showing that physical attractiveness and celebrity brand match-up up (see below) were associated with purchase intention. Thus, on the basis of the source attractiveness (context) model, the following hypothesis is proposed:

H2. Celebrity attractiveness positively influences the relationship between context type and behavioral intention.

Source Credibility Model

The assumption underlying the source credibility model is that consumers will perceive a celebrity as a trustworthy expert, making valid assertions (Hovland & Weis 1952). Hence, the endorsement of the product by a celebrity will enhance the positive persuasive effect of the advertisement message, although negative celebrity credibility information could negatively affect advertising efficacy. The source credibility model has dominated the literature on celebrity endorsement (Halder et al. 2021); studies have shown that source credibility has the most persuasive positive influence on purchase intentions and (brand) attitudes, compared to source attractiveness (Amos et al. 2008). For example, Lebanese female jewelry consumers, surveyed by Hani et al. (2018), reported that their purchase decisions were encouraged by credible celebrities (with perceived trust, expertise, and experience), and not the attractive ones (usually with well-known faces and sexy, elegant, and classy). Similarly, Cuomo et al. (2019) suggested that, for consumers in London, celebrity credibility was a strong key in increasing purchase intentions of sustainable luxury goods.

Credibility comprises perceived expertise (knowledge, experience, and skills), and perceived trustworthiness (objectivity, honesty, and integrity) of the endorser. Schimmelpfennig and Hunt's (2020) meta-analyses of fifty years of celebrity endorser research concluded that expertise and trustworthiness contributed to credibility and endorser's effectiveness. They added that the influence of celebrity endorsers depended on specific consumer segments (e.g. consumers that differ in knowledge about the advertised product). Interestingly, Singh and Banerjee (2018) explored the influence of celebrity credibility among Indian consumers in an urban city in West Bengal. In the large-scale two-wheel market (scooter and motorbike), the major brands were endorsed by Indian celebrities (e.g. the brand Hero was promoted by actress Alia Bhatt and actor Ranbir Kapoor). Contrary to common findings, their results demonstrated the indirect purchase influence of the endorsement. Celebrity credibility directly influenced brand and advertisement attitudes, which was subsequently positively related to purchase intentions. On the basis of the source credibility (context) model, the following hypothesis is formulated:

H3. Celebrity credibility positively influences the relationship between context type and behavioral intention.

Product Match-up Model

The celebrity source models do not account for why specific highly credible or attractive celebrities are effective endorsers for some brands or products but not for others (Koernig & Boyd 2009, McCracken 1989). Investigations of the product match-up model anticipate that the persuasive effect of an advertisement message also depends on the degree to which a specific product matches with the celebrity context in the advertisement. Generally, the match-up refers to the degree of congruency (the fit or the appropriateness) between the product, the celebrity, and the consumer. Congruency relates to perceived relevancy and expectancy of the endorsement message (Schimmelpfennig & Hunt 2020). As an illustration, Parmar et al. (2020) confirmed the match-up hypothesis that celebrities differ in appropriateness for different product categories in Punjab, India. Thus, Virat Kohli, an Indian cricketer, fitted for lifestyle products (such as clothing and footwear). The famous batsman was congruent to endorse soft drinks, but not banking or insurance services. Another celebrity in their study was Sharrukh Khan, an Indian actor, who was found to be an appropriate endorser for electronics (such as cell phones). However, the "King of Bollywood" was not considered as an appropriate choice for beverage and food products, except for chocolate. Also, Gabrielli and Baghi (2020) supported the match-up model as an effective co-branding strategy. In their study, on Italian consumers, they proposed a useful expansion by distinguishing between three types of congruency. Firstly, typicality fit (endorsing through very popular and best performing celebrities), which is the most commonly used congruency between product and celebrity. This type of match-up was less effective in attitudinal and behavioral effects on consumers. Secondly, the imagery fit (the endorser is similar to the brand with regard to values or personality characteristics); this type of match-up had the biggest impact with regard to positive e-WOM and viral communication, activities. Finally, the categorical fit (conceptual similarity, such as a sailor endorsing yacht equipment) had the largest efficacy scope on attitudes and the readiness to pay and purchase.

In their meta-analysis, Knoll and Matthes (2017) concluded that an appropriate match between celebrity and product evoked more favorable attitudes and stronger behavioral intentions of consumers. More specifically, male celebrities (vs. female) and actor celebrities (vs. models, musicians, and TV hosts) are more effective, particularly in implicit (vs. explicit) endorsements for unfamiliar (vs. familiar) products. Implicit endorsing occurred when celebrities used a product or were present in the advertisement without evidently promoting, whereas explicit endorsing refers to celebrities overtly expressing their support for a product (I endorse this product) (Miller & Allen 2012). Implicit endorsements elicit more favorable attitudes and stronger behavioral intentions when compared to explicit ones (Knoll & Matthes 2017). To sum up, several studies have found that consumers evaluated the match between the celebrity and the product, and, the better the perceived product-celebrity match, the better the attitudes and purchase intentions. Accordingly, the following hypothesis is formulated:

H4. Celebrity-product match influences the relationship between context type and behavioral intention.

Methodology

A two by two between-subjects design was used with visual display type as independent variable (static display context vs. dynamic display context) and purchase intention as the dependent variable. The cultural background (Dutch vs. Indian), celebrity attractiveness, celebrity credibility, and the product match were supposed to influence the effect of the display type. The controlled demographic variables were age and highest completed education level. The study participants were restricted to those from Western Europe (the Netherlands) and India. A total of 308 respondents participated, of which 41 were excluded as they failed to meet the requirements (such as age range, female, or large amounts of missing data). The remaining 267 participants completed an online survey with Qualtrics. The sample comprised 153 Dutch women and 114 Indian women. The cultural background was established through self-identification ("To what ethnic group do you belong?"). This was checked with participants' birth-country ("What country were you born"), country-of-living ("In what country do you live at the moment"), and home language use ("What languages do you mostly use at home?"). All participants were born and living in India, or in the Netherlands. The most often mentioned Indian language identifications were: Hindu (53), Gujarati (28), Marwadi (3), Kannada (3), and Tamil (3). The descriptive statistics on demographic variables are given in Table 1. The Dutch and Indian sub-samples had the same composition in terms of age, $\chi^2(18)=17.33$, $p=.50$, and education level ($\chi^2(4)=2.14$, $p=.71$). The mean age was 22 years (age range 16-35 years). The highest completed education level was mostly middle/higher education or university level.

Table 1. Sample Characteristics: Dutch and Indian

	Dutch (n=153)		Indian (n=114)	
Age				
16–20	21	14%	96	85%
21–25	93	60%	15	13%
26–30	30	20%	2	1%
31-35	9	6%	1	1%
Education				
Elementary school	1	1%	1	1%
High school	18	12%	43	38%
Middle/Higher education	74	48%	39	34%
University	60	39%	31	27%

Questionnaire

The participants were asked "to imagine that you are scrolling through your Instagram timeline and see this advertisement. You are searching for a new pair of shoes". Next, they were asked some questions. The terms of the questionnaire are available in the Appendix.

- *Purchase intention* was measured with one statement ("I would like to buy this product") with a 5-point Likert-type scale (M=2.99, SD=1.12).
- *The celebrity attractiveness* scale consisted of six items: three adjective pairs for physical appearance (e.g. *ugly* vs. *good-looking*) and three adjective pairs for personal characteristics (e.g. *closed* vs. *open*) with a 5-point scale (M=3.71, SD=.95).
- *The celebrity credibility* scale consisted of six items: three adjective pairs for expertise (e.g. *incompetent* vs. *competent*) and three adjective pairs for trustworthiness (e.g. *unreliable* vs. *reliable*) with a 5-point scale (M=3.04, SD=.83).
- *Product match* was measured with one statement ("I think the match between the product and the celebrity is inappropriate/appropriate") with a 5-point scale (M=3.25, SD=1.01).
- *Brand attitude* was checked with one question ("How do you feel about the brand Nike?"; *negative* vs. *positive*) with a 5-point scale (M=4.43, SD=.83).

- Uncertainty avoidance was measured with six items adapted from Jung and Kellaris (2004) (e.g. “I prefer structured situations to unstructured situations”) with a 5-point scale (*M*=3.33, *SD*=.65).
- Celebrity recognition was check with one question (“I noticed that the celebrity was Mila Kunis”) with “yes - no” answers.
- There were two manipulation check questions (“I noticed that the celebrity was wearing the shoes” and “I noticed that the celebrity was running with the shoes”) with “yes - no” answers.

The celebrity scales were used in an earlier study by Broeder and Goorden (2019). For scales with more than one item, the internal consistency was checked with Cronbach’s α. For attractiveness α=.90, for credibility α=.79, and for uncertainty avoidance α=.79. These scales had good reliability with Cronbach’s α higher than .70.

Instagram Advertisement

The same sports shoe was displayed in two variations (conditions) of an Instagram advertisement (see Figure 1). In the static display context condition the sports shoe was displayed next to the celebrity. The celebrity was co-present, merely appearing with the sports shoe. In the dynamic display context condition Mila Kunis was explicitly wearing, running with the sports shoes. Participants were randomly assigned to one of the two Instagram conditions.

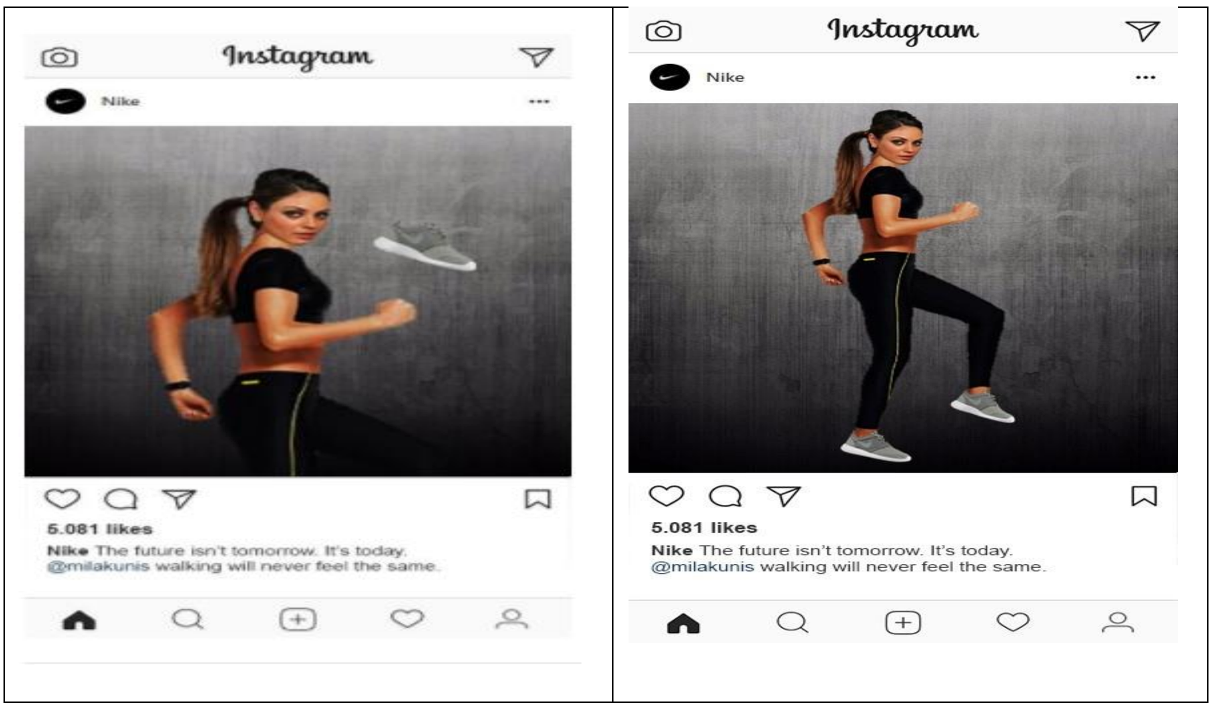

Figure 1. Sports Shoe with a Static Visual Display Context (left) and with a Dynamic Visual Display Context (right)

Manipulation Check

The condition specific display type was noticed correctly by most of the participants. With the dynamic display context 96 per cent of the participants noticed correctly that the celebrity was wearing/running with the sports shoes. With the static display context 76 per cent noticed correctly that she was not using the shoes. Most of the participants recognized the celebrity as Mila Kunis: 87 percent of the Dutch women, and 55 percent of the Indian women.

Results

Some preliminary analyses were performed for the cultural subsamples. On an average, the participants felt very positive about the brand Nike. The Indian participants had higher positive attitudes towards the brand Nike (M_{Ind} 4.51, SD_{Ind}=.76) than the Dutch participants (M_{Dut}=4.22, SD_{Dut}=.86). This difference, M_{diff}=.29, was significant (t(1,265)=-2.90, p=.00), and represented a small effect of Cohen's d=.36. Additionally, a cultural difference surfaced in the degree of uncertainty avoidance. The Indians (with M_{Ind}=3.42 and SD_{Ind}=.62) reported higher uncertainty avoidance than the Dutch (with M_{Dut}=3.26 and SD_{Dut}=.67). This difference, M_{diff}=.16, reached statistical significance, t(253,819)=-2.03, p=.04, and represented a small effect of Cohen's d=.25.

The Effect of Context on Purchase Intention

The average purchase intentions in both conditions, with the two display types, for the Dutch and Indian participants are visualized in Figure 2.

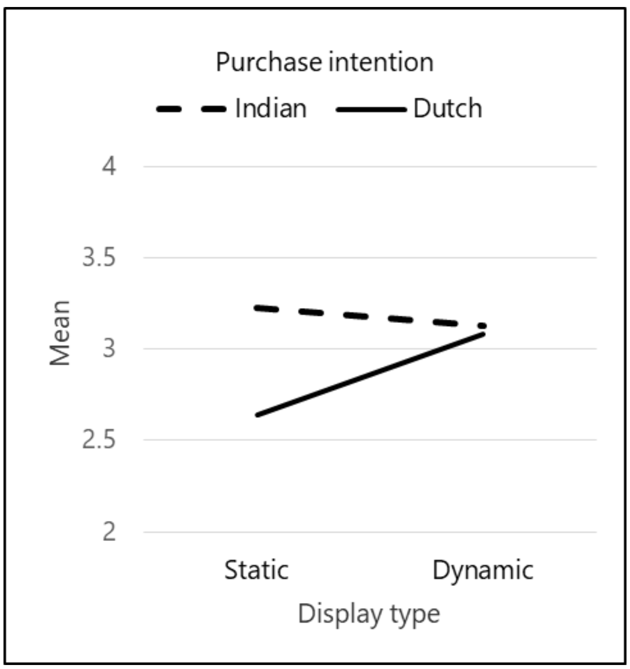

Figure 2. Relationship between the Display Context and the Purchase Intention per Cultural Group (Means on a 5-point Scale; Min.=1, Max.=5)

In the ANOVA the interaction between culture and the display type reached statistical significance (F(1, 263)=3.89, p=.05). This interaction effect indicates that the purchase intentions of the Indian and Dutch groups were affected differently by the display type.

Specifically, with the static display context the average purchase intention of the sports shoe was higher for the Indian participants (M_{Ind}=3.23, SD_{Ind}=1.19) compared with the Dutch participants (M_{Dut}=2.64, SD_{Dut}=1.05). With the dynamic display context, the Dutch and Indians did not differ in purchase intentions.

Simple effects analysis showed that the purchase intentions of the Dutch participants were significantly higher with the dynamic display context than with the static display context (F(1,263)=6.06, p=.01). In the Indian group, the display type differences had no significant effect on purchase intentions (F(1,263)=0.23, p=.63). So, these results partly supported Hypothesis 1, only for the Dutch participants.

The Effect of Attractiveness and Credibility of the Celebrity

On average (see Figure 3), the Dutch participants (M_{Dut}=3.83, SD_{Dut}=.71) rated the attractivity of the celebrity higher than the Indian participants (M_{Ind}=3.56, SD_{Ind}=.99), both with the static display context and the dynamic display context (F(1,263)=6.802, p=.01).

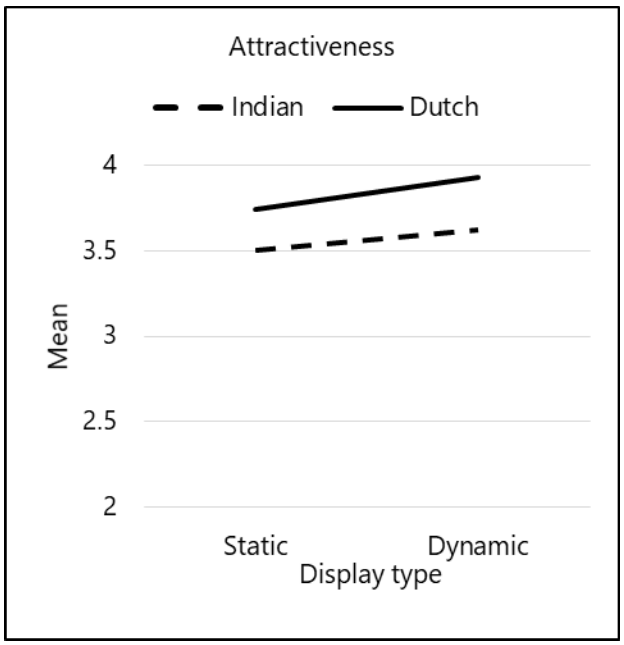

Figure 3. Relationship between the Display Context and the Celebrity Attractiveness per Cultural Group (Means on a 5-point Scale; Min.=1, Max.=5)

A different pattern emerged for the credibility ratings of the celebrity (see Figure 4). With the static display context, the Dutch participants (M_{Dut}=2.87, SD_{Dut}=.80) rated the credibility of the celebrity lower than Indian participants (M_{Ind}=3.23, SD_{Ind}=.92). With the dynamic display context, the celebrity credibility ratings by the two cultural groups were almost the same. The Dutch credibility ratings increased (M_{Dut}= 3.06, SD_{Dut}=.75) and the Indian credibility ratings decreased (M_{Ind}=3.05, SD_{Ind}=.85), compared to the static display context.

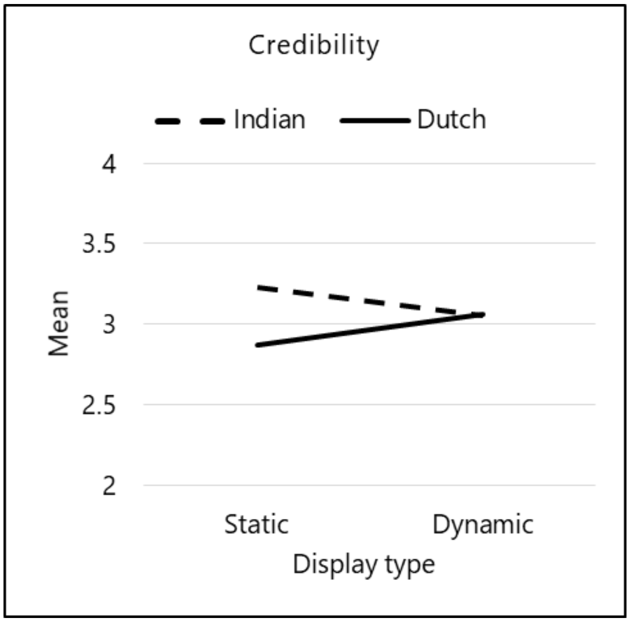

Figure 4. Relationship between the Display Context and the Celebrity Credibility per Cultural Group (Means on a 5-point Scale; Min.= 1, Max.= 5)

To examine further whether the purchase intentions can be explained by characteristics of the celebrity, a regression analysis was performed using PROCESS procedures developed by Hayes (2018). In the parallel multiple mediator model display type was the predictor. The two mediators were attractiveness and credibility. The outcomes of this regression are presented in Table 2.

Table 2. Regression Coefficients, Standard Errors (SE) and Model Summary Information (based on 5000 bootstrap samples) for the Influence of the Display Type Parallel Multiple Mediator Model depicted in Figure 5

	Dependent											
	M_1 (Attractiveness)				M_2 (Credibility)				Y (Purchase intention)			
Independent		Coeff.	*SE*	*p*		Coeff.	*SE*	*p*		Coeff.	*SE*	*p*
X (Display)	a_1	-.15	.10	.15	a_2	-.03	.10	.75	c'	-.23	.13	.08
M_1 (Attractiveness)		---	---	---		---	---	---	b_1	-.18	.09	.03
M_2 (Credibility)		---	---	---		---	---	---	b_2	.57	.09	.00
Constant	$^{i}M_1$	3.94	.17	.00	$^{i}M_2$	3.09	.16	.00	$_{iy}$	2.34	.38	.00
	R^2=0				R^2=0				R^2=.14			
	F(1,265)=2.13, p=.15				F(1,265)=.11, p=.71				F(3,263) = 14.22, p=.00			

In the regression analysis bias corrected and accelerated (BCa) confidence intervals (CI) were based on 5000 bootstrap samples. The confidence intervals should be entirely above or below zero. As can be seen in Table 2, display type had no effect on the attractiveness (a_1) and credibility (a_2) of the celebrity. In addition, attractiveness seems to negatively contribute to purchase intention (b_1). This should be interpreted with some caution, because the bootstrapping did not firmly confirm this (BCa CI [.53, 0]). Nevertheless, because a positive effect of attractiveness was assumed, these findings would not support hypothesis 2. In contrast, credibility was found to positively contribute to purchase intention (b_2, BCa CI [.38, .75]). Finally, there was no statistically evidence that display type directly negatively influenced purchase intention independent of the effects of attractiveness and credibility (c', BCa CI [-.49, .04]). These findings supported hypothesis 3.

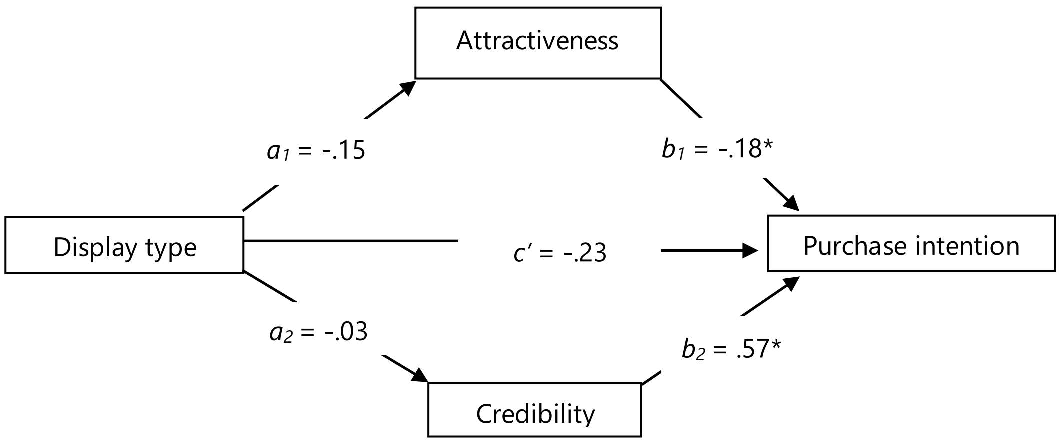

Figure 5. A Statistical Diagram of the Parallel Multiple Mediator Model for the Presumed Influence of the Static Display Context and the Dynamic Display Context.

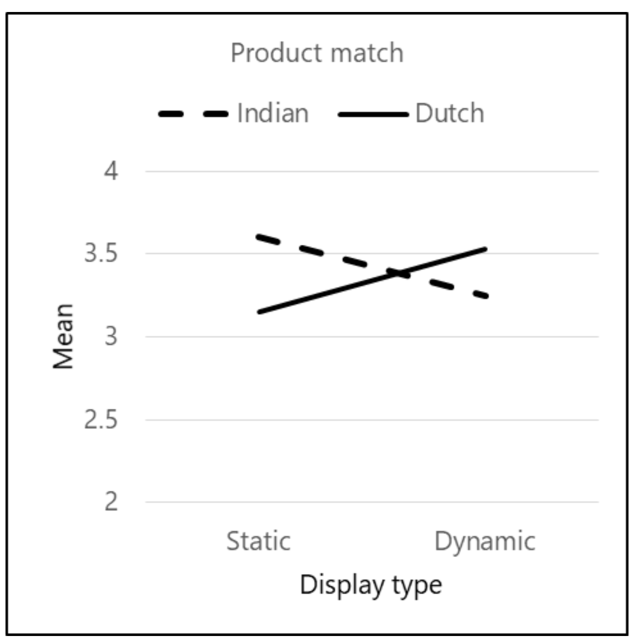

Figure 6. Relationship between the Display Context and the Perceived Product Match per Cultural Group (Means on a 5-point scale; Min.=1, Max.=5)

Product Match

The relationship between the display and the product match per condition for both cultural groups visualized is in Figure 6. Remarkably, there was a significant interaction between display type and culture for the product match ratings ($F(1, 263)=6.85$, $p=.00$). This interaction indicates that the ratings of the appropriateness of the match between the celebrity and the product were affected differently by display type. As Figure 6 shows, with the dynamic display context the Dutch product match ratings increased, whereas the Indian product match ratings decreased. Simple effects analysis revealed that the product match ratings were statistically significant different with the static display context than with the dynamic display context in the Dutch group ($F(1,263)=4.29$, $p=.04$), but not in the Indian group ($F(1,263)=2,781$, $p=.09$). These findings supported hypothesis 4.

Conclusions

This study investigated the effects of implicit context of an Instagram advertisement and asks the following questions: Do different implicit display types have different effects on consumers' attitudes and purchase intentions? And what is the influence of the cultural background of consumers?

The purchase intentions of the Indian and Dutch female consumers were affected differently by the differences in the display type. Specifically, with the static display context, the average purchase intention of the sports shoe was higher among the Indian participants when compared with the Dutch participants. With the dynamic display context, the Dutch and Indians did not differ in purchase intentions. The purchase intentions of the Dutch participants were higher with the dynamic display context than with the static display context. In the Indian group, the display type differences had no effect on purchase intention (Hypothesis 1). Celebrity attractiveness seemed to have a negative effect on purchase intentions (rejecting Hypothesis 2), whereas celebrity credibility had a positive effect on purchase intentions (confirming Hypothesis 3). Product match differences influenced the relationship between context type and purchase intention. Here, a remarkable cultural preference was found. With the dynamic display context, the Dutch product match ratings increased, whereas the Indian product match ratings decreased. The Dutch female consumers rejected the static display context (with the co-presence of the celebrity and the "flying" sports shoe) as an inappropriate match of celebrity and product (Hypothesis 4).

Discussion and Limitations

Building on Hall's (1976) high context cultures, this study specified two different, more implicit (i.e. static display context) or less implicit (i.e. dynamic display context), contexts of an Instagram advertisement. For the Dutch female consumers, the assumed culturally specific context preference was found. Celebrity endorsers in India enjoy a high (almost divine) status (Parmar et al. 2020). This might explain why the female consumers in this study did not differentiate between the two types of implicit contexts. This study has limitations that provide some suggestions for further research.

The first limitation is that the questionnaire of the survey was in English. One can only speculate about the degree to which the proficiency in the non-native language of the participants must have affected the findings. On the basis of Harzing's (2005) cross-country comparison, one could assume that the cultural differences found in this study would have been larger with questionnaires in their native languages.

Second, some limitations refer to attributes of the celebrity endorser. In this study, a female celebrity and female consumers participated. Future studies could also include a male celebrity and male consumers. Knoll and Matthes (2017) noted that male celebrity endorsers cause stronger endorsements effect than female celebrity endorsers. In addition, the brand specifics and personality congruence are interesting topics for further research (Broeder & Rutten 2017, Mishra et al. 2015).

Third, some limitations of this study refer to the product that was being used in the Instagram advertisement. Product aspects such as price, availability (e.g. in stores) or beneficial features of the sports shoes were left out. This information could have influenced someone's purchase intention. Adding these product attributes to the advertisement might make the shopping environment more realistic. In addition, investigations of the match-up hypothesis could compare universal and product specific associations (Parmar et al. 2020) of different products categories, such as search and experience product (Huang et al. 2013), or high and low involvement products (Hameed et al. 2020).

Implication for Marketers

In general, the results of this study support a global managerial strategy for persuasive online marketing communication that is fine-tuned for cultural differences. Visual context has started to play a major role in e-commerce (due to the growth of platforms like Instagram and Pinterest), so marketing communication should respond by integrating these visual endorsement, which are already widely available, into their marketing strategies (Broeder & Crijns 2018, Broeder & Remers 2018). The recommendation is to take into account local cultural context adaptations in advertisements. A well-balanced consideration of adapting (or standardizing) the content and the design of an advertisement will enhance the persuasive effect of the message.

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Appendix

Operationalisation of the Constructs

The participants responded to the questionnaire items using a 5-point scale for the adjective pairs and a 5-point Likert-type scale for the statements (from 1="Strongly disagree" to 5="Strongly agree").

The control questions were answered with a "yes" or "no".

Cultural background. What country were you born in?, In what country do you live at the moment?, To what ethnic group do you belong?, What languages do you mostly use at home?

Purchase intention. I would like to buy this product

Celebrity Attractiveness. I think the celebrity is ...
Physical appearance: unattractive – attractive, ugly – good-looking, dull – exciting,
Personal characteristic: unfavorable – favorable, unlikable – likable, closed – open

Celebrity credibility. I think the celebrity is ...
Expertise: not an expert – an expert, inexperienced – experienced, incompetent – competent
Trustworthiness: unreliable – reliable, subjective – objective, unfamiliar – familiar

Product match. I think the match between the product and the celebrity is ... inappropriate – appropriate

Uncertainty avoidance. I prefer structured situations to unstructured situations. I prefer specific instructions to broad guidelines. I tend to get anxious easily when I don't know an outcome. I feel stressed when I cannot predict consequences. I would not take risks when an outcome cannot be predicted. I believe that rules should not be broken for merely pragmatic reasons. I don't like ambiguous situations.

Brand attitude. I think the brand Nike is ... negative - positive

Celebrity recognition. I noticed that the celebrity was Mila Kunis

Manipulation check. I noticed that the celebrity ... was wearing the shoes, was running with the shoes

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The robotic process automation in accounting: Impacts of relative advantage, trialability and user-friendly innovation adoption attributes

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The adoption of the robotic process automation (RPA) is important to perform tasks efficiently and recently to keep social distancing as way to prevent spread of COVID-19. In addition, innovation plays a vital role to be competitive in today's market. One of the innovations that is gaining popularity is the application of automation other than manufacturing. However, because of its early development, there are limited studies to predict and analyze RPA in accounting. The purpose of the study is to examine to the effects of innovation adoption attributes on the acceptance of users and adoption of robotic process automation in accounting. Using PLS-SEM method, our findings indicate that trialability has significant relationship with RPA adoption. Trialability was also noted as the highest predictor.

Keywords: adoption, accounting, innovation, robotic process automation, trialability

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Introduction

Robots accomplish physical tasks related to logistics, disinfection, provide COVID-19 information to people, and reduce the threat of infections (Zhanjing et al. 2020). The impacts of COVID-19 drive further research in robotics to address risks of infectious diseases "but without sustained research efforts, robots will, once again, not be ready for the next incident" (Yang et al. 2020, p 2). Zhanjing et al. (2020) argued that COVID-19 drives robotic adoption to increase the efficiency of work, the quality of services, and reduce the financial costs. During the COVID-19 pandemic, robots helps to maintain social distancing. Typically for companies, what matters most is the end figure of the statement of financial performance for the year-end. A net income means favorable growth, well-managed cost or substantial increase in sales or revenue. A net loss signals the management to revise its strategy on pricing, costing and focus on areas of development. Decade-old companies watch how the market grow and develop throughout the years. A promising technological advancement that gains competitive advantage is the introduction of Robotic Process Automation (RPA) (Al-Jabri & Sohail 2012). Brussel and Theyssens (2017) state that innovation, an early stage of development, is hard to track. Accounting functions are not spared from the need for adoption of robotics as brought by social, technological, ecological, economic, and political changes.

RPA is a software-based approach of process automation by capturing, interpretation and coordination of the actions of existing applications and processes. Ivančić et al. (2019) noted the examples of RPA that included automation of repetitive, routine, rule-based human tasks, aiming to bring benefits to the organizations that decide to implement software solution such as in RPA operating system for the digital enterprise and software bots for shared services across different departments of firms. In accounting audit, summarizing relevant data and generations of financial statements, RPA involves software that operates as a virtual workforce and replaces the human movements and interventions in repetitive and recurrent tasks (Huang & Vasarhelvi 2019).

Accounting is both an art and a process. It provides three important activities in the accounting processes, namely: identifying, measuring, and communicating. The ultimate purpose of accounting is classified into two categories: control and decision- making. Financial reports provide information about the entity's economic resources, claims against the entity and the effects of transactions, events and conditions that change those resources and claims.

The purpose of study is to investigate, in the context of accountancy, innovation attributes that affect adoption of RPA. Specifically, we determine the impact of relative advantage, trialability and user-friendly attributes (compatibility, complexity, and observability) on RPA.

Conceptual Framework

We focused on the readiness to adopt RPA to bridge the gap between RPA and the perceived adoption of RPA to provide a framework for companies to successfully implement RPA (Gullkvist 2011). Attributes of adoption and acceptance of potential users provide a successful entry of technology (Al-Jabri & Sohail 2012). The contextual limitations of reviewed literature (Ivančić et al. 2019) led to investigate the effects of the attributes of innovation on the adoption of RPA in accounting. The research limitations also pave way to address the research problem: What are the effects of the attributes of innovation on the robotic process automation adoption in accounting? Technologies enabled digital accounting that were regarded innovations. In line with Rogers (1995), the idea, thing, procedure, or system were regarded as innovations when it was perceived to be new by whoever was adopting it. The diffusion of innovations was regarded as a social process that communicated perceived information about a new idea; it produced an alteration in the structure and function of a social system, thus, producing social consequences (Rogers 1995). The diffusion effect was the increasing, cumulative pressure from interpersonal networks to adopt or reject innovation.

Theory of Innovation Adoption

Venkatesh (2016) argued that UTAUT has strengths "as a quality theory and performed well in importance, novelty, falsifiability dimensions and technology acceptance while its weakness is low parsimony due to the complexity among attributes" (p 338). But, the ambiguity of UTAUT limit the extension of said theory but its strength dwells on the utility. Bagozzi (2007) emphasized that important independent variables in unified theory of acceptance and use of technology (UTAUT) were not tested and left-out because some predictors were fundamental, generic, and universal. In contrast, Bagozzi (2007) also recognized parsimony in different settings, industry, and context as the strength of the technology acceptance model (TAM) but criticized "its absence of a sound theory and methods for determination of the antecedents of perceived usefulness and perceived ease of use, the neglect of social, group and cultural aspects of decision making, reliance on notions of affect or emotions and missing to consider self-regulation process" (p 245).

With few research outputs about RPA adoption in accounting (Ivančić et al. 2019), we perceive its adoption in accounting as an innovation. Moreover, the strength of IDT is its applicability in different industries and discipline (Lee et al. 2011). IDT served as a fundamental theoretical lens of innovation adoption research in many disciplines, including sociology, communications, marketing, and education (Yoon et al. 2014). As weakness, IDT did not consider an individual's resources or social support to adopt the new behavior or innovation (Yu 2012). We viewed that innovation diffusion theory (IDT) fitted our research because it explained simply, clearly, although at broader scope the rate at which people adapted the RPA innovation, given the emerging research topic. IDT is a theoretical foundation for relative advantage, trialability and user-friendly innovation attributes. As IDT works better to explain the innovation adoption behavior in new functions, we choose IDT as the theoretical foundation of our research.

Several studies continued to utilize IDT and other acceptance model but very few about RPA adoption in accounting. (Cooper et al. 2020). We adopted the application of IDT established by Al-Jabri and Sohail (2012) as they attempted to study mobile banking innovation adoption. The conceptual framework highlighted the variables to be investigated in this research, as shown in Figure 1.

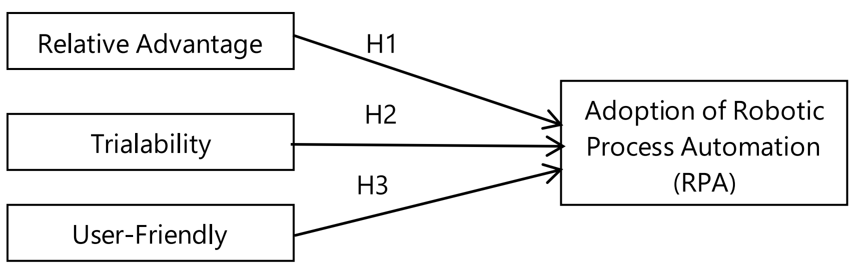

Figure 1. Conceptual Framework: Innovation Adoption of RPA in Accounting
Source: the authors

Hypotheses Development

Relative Advantage and Robotic Process Automation Adoption

The perceived relative advantage consists of financial, social, or other types of outcomes perceived as gains by the adopter while better innovation is the faster adoption process (Straub 2009). Compatibility refers to the degree to which innovation is regarded as being consistent with the potential end-users' existing values, prior experiences, and needs. Attributes of compatibility impact the decision to use new technology because technology often requires establishments to change their existing business practices and operations to increase the benefits of using the technology (Mndzebele 2013). Complexity is the end-users' perceived level of difficulty in understanding innovations and their ease of use. It is suggested that high complexity tends to create frustration among individuals and has negative association with adoption (Juntunen 2018). According to Rogers (1995), relative advantage is the degree to which an innovation is perceived. Relative advantage means better than the idea it supersedes (Lee et al. 2011), Stieninger and Nedbal (2014) and Al-Jabri and Sohail (2012) identified relative advantage with positive effect in the adoption of users. When users perceive relative advantage or usefulness of a new technology over an old one, they tend to adopt it (Rogers 1995). Cooper et al. (2021) recognized the positive influence of adoption of RPA on the accounting profession as it positively changes the job and career that employees perform. However, while firm leaders believe RPA improved work satisfaction, lower-level employees did not exhibit such progress (Cooper et al 2021). Our first hypothesis to be tested is:

H1. There is significant relationship between relative advantage and robotic process automation adoption.

Trialability and Robotic Process Automation Adoption

Trialability refers to the degree to which innovations can be tested on a limited basis. It reflects how easily individuals can experiment with the innovation and high trialability tends to lower the perceived risk and uncertainty experienced by the individuals. (Kee 2017) Observability is the degree to which the results of innovations are visible to other people (Al-Jabri & Sohail 2012, Lee et al. 2011, Stieninger & Nedbal 2014, Zhang et al. 2015). Often, observability construct is combined with visibility and communicability constructs and together and separately are perceived to increase the likelihood for adoption (Kee 2017). According to Rogers (1995), trialability is the degree to which an innovation may be experimented with on a limited basis. Also, potential adopters test innovation, feel comfortable with it, and are more likely to adopt it. Lee et al. (2011), Stieninger and Nedbal (2014), and Al-Jabri and Sohail (2012) hypothesize that trialability has positive effect on innovation adoption and acceptance of users. It was argued that trialability is required in adoption of large innovative projects and may even involve consultants. Moreover, trialability is a mandatory procedure for different companies who are adopting innovation and new technologies (Burritt et al. 2019). Our second proposed hypothesis is:

H2. There is significant relationship between trialability and robotic process automation adoption.

User-Friendly Attributes and Robotic Process Automation Adoption

User-friendly innovation adoption composed of compatibility, complexity, and observability. Compatibility was a vital feature of innovation as conformance with user's lifestyle can propel a rapid rate of adoption (Rogers 1995). Past research found that organizations would be more than willing to adopt technology if innovations were compatible with the environment and work practices. Complexity was the degree to which an innovation is perceived as relatively difficult to understand and use (Rogers 1995). Mndzebele (2013) stated that complexity is positively correlated with each of the e-commerce variables. Observability, according to Rogers (1995), was the degree to which the results of an innovation are visible to others. Past research has concluded that observability has a significant effect on adoption. In addition, Lee et al. (2011), Stieninger and Nedbal (2014), and Al-Jabri and Sohail (2012) identified compatibility, complexity and observability to have a positive effect on innovation adoption of users. Our final hypothesis to be tested is:

H3. There is significant relationship between user-friendly attributes and robotic process automation adoption.

Methodology

Questionnaires were developed to understand perceived RPA adoption as an innovation adoption in accounting. To facilitate data gathering, random sampling was utilized to select the respondents. After clarification of the information on the first 30 respondents, questionnaires were distributed both manually and through google survey form. Questionnaires were given to 150 respondents and only 100 answered. Collected questionnaires were checked for completeness and edited by reviewing eligible, inconsistent, and ambiguous responses (Hair et al. 2010). Ethical practices were observed by the research during the conduct of this research. Ethical concerns regarding the protection of human subjects in research were based on the Nuremberg Code in 1947. Informed consent was being presented to the head of office prior the floating of manual of the Internet, which made opportunities for international publishing and viewing of visual data much more widely available (Boxall & Ralph 2009). Descriptive statistics, factor analysis, and PLS-SEM used 5% level of significance (Hair et al. 2010). To determine the factors that influence adoption by users, we classified this quantitative research as cross-sectional, and determined the cause and effect relationships and computed for partial least squares coefficients in PLS-SEM using Smart PLS 3 software to determine the factor scores and path coefficients (Brains et al. 2011, Hair et al. 2019).

Sampling Design and Research Instruments

Random sampling was utilized in the conduct of the research. Random sampling was selected because it was a fair way of selecting sample from a given population which gave every member an equal opportunity to be selected (Hair et al. 2010). In performing an unbiased selection of the respondents, we assigned a number to every CPAs identified within Tuguegarao City. Assigned numbers were chosen through a draw-lot method to maintain the randomness of the sample, although randomness of selection of respondents were not prerequisite for PLS-SEM. The data gathering instruments that were applied were adapted survey questionnaires from Al-Jabri & Sohail (2012). Questionnaires regarding RPA characteristics were also adapted from the characteristics identified by Anagnoste (2018).

Data Collection

First, we assumed that the accounting personnel in Tuguegarao City provided relevant insights and perceptions about the innovation characteristics or attributes that influenced acceptance and adoption of robotic process automation. Secondly, we assumed that there would be no revision on Philippines Accounting Standards and Philippine Financial Reporting Standard within the next 15 years involving automation on Finance and Accounting. Then, we also that RPA adoption is an innovation adoption.

A pre-testing for first 30 respondents was conducted to test the reliability of the questionnaire using the Cronbach's Alpha. Cronbach's alpha and all item results for each variable were: relative advantage (.76), trialability (.77), user-friendly- compatibility, complexity, and observability (.76), and the robotic process automation adoption (.75). The internal consistency of the research instruments supports the analyses of this research (Wessa 2019). Rogers (1995) described user-friendly as the opposite of complexity while Al-Jabri & Sohail (2012) associated compatibility on user-friendly innovation attributes, like in interface.

Tuguegarao City has produced CPAs over the past 5 years. In 2013, it gained fame when University of Saint Louis, Tuguegarao (USLT) produced another first placer in the CPA board examination with an average of 93.86%. According to the Bureau of Internal Revenue, there were 100 accredited tax accounting professionals composed of CPAs and non-CPAs rendering bookkeeping and accounting services within Cagayan and Isabela. The research participants were finance and accounting professionals, public practitioners and partners of accounting firms in Tuguegarao City. The respondents identified the applications of RPA in the survey such as in banks, credit and payments, balance sheet reconciliation, revenue recognition, variance analysis, cost allocations, journal entry, controls verification, inventory management, and amortization and depreciation. The assumptions before running PLS-SEM were made as suggested by Hair et al. (2019). Kaiser-Meyer-Olkin test (.74) and the sample size (n=100) was determined to be adequate

Analysis and Results

We adapted the 11 measurement items for the innovation adoption as the criterion (Al-Jabri & Sohail 2012). All variables were measured with 5-point Likert scale: 5=strongly agree, 4=agree, 3=neither agree nor disagree, 2=disagree, 1=strongly disagree, and were tested reliable. Baseline measurement items were listed in Table 1. Because of the improved internal consistency and inter-item correlation when compatibility, complexity, and observability were merged, user-friendly attributes measured the impacts of social and cultural values and belief, previously introduced ideas, fit, and easiness of use. We used SPSS software and SMART-PLS 3 for factor analysis and dimension reduction.

Table 1. Rotated Component Matrix and Variance Inflation Factor of Measurement Items

Measurement Items	Short Name	VIF	Adoption of RPA	Relative Advantage	Trialability	User-Friendly
			Latent Variables			
Adoption of RPA 2	A2	1.15	.86			
Adoption of RPA 9	A9	1.15	.78			
Relative Advantage 1	RAQ1	1.82		.97		
Relative Advantage 4	RAQ4	1.69		.73		
Relative Advantage 6	RAQ6	2.05		.76		
Trialability 1	TQ1	1.24			.78	
Trialability 3	TQ3	1.24			.90	
User-Friendly 1	UF1	1.17				.91
User-Friendly 2	UF2	1.17				.73

Note: Measurement items with <.70 factor loadings were suppressed (n=100)

After principal component analysis with varimax rotation(Table 1), Kaiser normalization, and suppression of components with less than .70 loadings, 3 measurement items for relative advantage, 2 for trialability, 2 for user-friendly, and 2 measurements items for adoption of RPA (dependent variable) were retained (Hair et al. 2019).

Descriptive Statistics

We focused on Certified Public Accountants (CPA) because they were directly involved in accounting functions and would be the users upon adoption of RPA. Majority of the research participants were from government agencies. Mean scores were based on a five-point Likert Scale where 1 was strongly disagree, 3-neither agree nor disagree, and 5 was strongly agree. Seventy-four of the respondents were male and 26% were female. Majority (89%) were single and 11 percent were married. Eighty-four percent were Bureau of Internal Revenue Officers while 16% were private accountants.

Out of 100 respondents, 62 recognized computer-aided tool and automated control verifications as current RPA with Microsoft, IBM, Oracle, and NAV as some of the suppliers. The 15 respondents identified enterprise resource planning RPA tools, software, and mechanisms in the reduction of accountants' routine tasks and cross-functional tasks, while 13 respondents mentioned programs for automation of accounting reports and print-out. However, 10 respondents have no idea about existing RPA but think of those available tools that replace human actions or manipulations outside their workplace such as software robots that were even assigned password to gain access of data and perform generate processed reports. The mean responses confidence levels were listed in Table 2.

Table 2. Descriptive Statistics of Independent and Dependent Variables (n=100).

Variables	Mean	Standard Deviation	Mode	Confidence Level (95%) +-
Relative Advantage	4.23	.46	3.85	.09
Trialability	4.31	.50	4.00	.09
User-friendly (Compatibility, Complexity, Observability)	4.26	.36	4.25	.07
RPA Adoption	4.42	.39	4.63	.07

The variance inflation factors (VIF) range (1.2-2.5) indicated no multicollinearity. This research provided indications of relationships between the determined innovation attributes (Rogers 1995) and adoption of RPA. The cross loadings are lower than correlations of items on latent construct, as seen in Table 3. As a non-parametric test, "no multicollinearity" was the assumption for PLS-SEM (Hair et al. 2019).

Table 3. Inter-item Correlation (n=100)

Measurement Items	Short Name	A2	A9	RAQ1	RAQ4	RAQ6	TQ1	TQ3	UF1	UF2
Adoption of RPA 2	A2	1								
Adoption of RPA 9	A9	**.67**	1							
Relative Advantage 1	RAQ1	.19	.18	1						
Relative Advantage 4	RAQ4	.15	.14	**.70**	1					
Relative Advantage 6	RAQ6	.15	.14	**.73**	.55	1				
Trialability 1	TQ1	.20	.19	.06	.04	.05	1			
Trialability 3	TQ3	.23	.21	.07	.05	.05	**.71**	1		
User-Friendly 1	UF1	.15	.14	.04	.03	.03	.05	.05	1	
User-Friendly 2	UF2	.12	.11	.03	.03	.03	.04	.04	**.67**	1

User-friendly (path coefficient, beta=.16) and relative advantage (path coefficient, beta=.20) showed aweak relationship to adoption of RPA. In contrast, trialability (path coefficient, beta=.27) showed significant relationship with adoption of RPA. As seen in Figure 2, the results of path analysis between the effects of relative advantage, trialability, and user-friendly have r^2=.16. The weak level is typical for research with limited literature such as this research. Although the value of the coefficient of determination (r^2) is weak, the innovation attributes of RPA adoption may indicate the opportunity to include more antecedents.

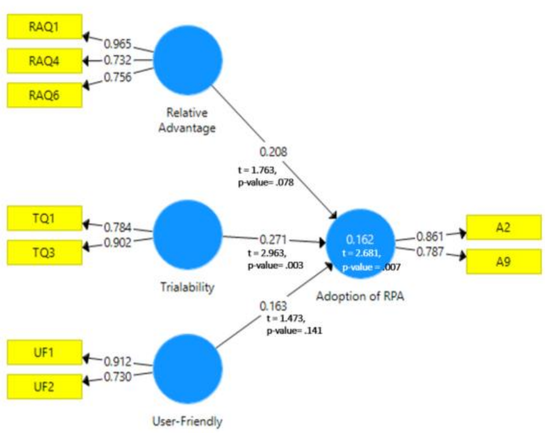

Figure 2. Structural Relationships between Relative Advantage, Trialability, and User-friendly Innovation Attributes of RPA Adoption

Source: Mappala and Pasco (2021)

Model Fit Measurement

The coefficient of determination (r^2=.16, t=2.68, p-value=.00) of the factors has small but significant explanatory power. The construct reliability and validity of the reflective model of the latent variables are acceptable. Further, the Fornell Larcker criterion indicated discriminant validity given values of average variance extracted (AVE) were greater than the squared latent variable correlations. HTMT also confirmed discriminant validity. (Hair et al. 2019). There is also a relatively good model fit as indicated by standardized root mean square residual (SRMR=.10 close to .08), unweighted least squares discrepancy (dULS=.47 <UL of CI 95%), and geodesic distance (dG=.21 <UL CI 95%). We do not propose a final model given the small explanatory power that we measured but we emphasize the indications of influences of trialability attributes on the innovation adoption of RPA (SmartPLS 2016)

Our results indicates: Hypothesis 1 that there is significant relationship between relative advantage and robotic process automation is rejected as the path coefficient (*beta*=.20, *t*= 1.76, *p*= .08) in Figure 2 is weak. Hypothesis 2 that there is significant relationship between trialability and robotic process automation adoption is accepted, the path coefficient (*beta*=.27, *t*=2.96, *p*=.00) being statistically significant. Hypothesis 3 that there is significant relationship between user-friendly attributes and robotic process automation adoption is rejected (path coefficient (*beta*=.16, *t*=1.47, *p*=.14).

Discussions

We presented the discussions according to the research objectives. The respondents did not perceive RPA as better than other systems with the mingling of technology and accounting professionals created a fear due to changes in the work processes encountered. Microsoft office tools, together with manual tools, were dominantly used by respondents in executing their tasks, but respondents did not explore use of other open sources in big data management like in Hadoop, other software and programs. It was observed during the conduct of research that some CPAs did not participate in the study because they thought that RPA was not included in their line of expertise and function. They perceived RPA could be properly be answered by IT professionals.

There is no significant relationship between relative advantage and RPA adoption. The results are different with the study conducted by Lee et al. (2011), Stieninger & Nedbal (2014) and Al-Jabri & Sohail (2012) which stated that relative advantage has a positive effect on adoption of technological advancement and innovation. These mentioned studies focused on e-learning system, mobile banking, cloud-computing and precision agricultural technologies. Meanwhile, this result was affirmed by Mndzebele (2013) which stated that relative advantage was not a predictor of e-commerce adoption in the hotel industry. Cooper et al. (2021) is similar in asserting that majority of lower-level employees in accounting did not perceive the benefits of RPA for their job performance and career.

The results of this research showed that there is significant relationship between trialability and adoption of RPA. This result was similar with the research conducted by Lee et al. (2011), Stieninger & Nedbal (2014) confirmed that trialability affects RPA and was a preparation for further implementation. The findings of Burritt et al. (2019) matched the significant impact of trialability in adoption of innovative projects. Trialability is indeed a mandatory procedure for different companies who are adopting innovation and new technologies.

There is no significant relationship between user-friendly attributes and robotic process automation adoption. This result is different with the research of Lee et al. (2011), Stieninger & Nedbal (2014) and Al-Jabri & Sohail (2012 who explain that compatibility, complexity, and observability have significant relationships on the adoption of innovation. Majority of the accounting processes of the respondents were performed on a daily and monthly basis according to the respondents. Krumwiede (2016) suggested that the accounting processes that were commonly performed on monthly basis would have the opportunity for user-friendly, automated, and continuous accounting. In addition, since majority of respondents were from 22-24 years old. There would be no hindrance on the acceptance and adoption of new technology despite its complicated features and interface. Being clear, understandable, and fit with the way users gathered information at work, would be considered by companies on implementing RPA at work. Although RPA's user-friendly attributes offer economic profitability, low initial cost, decrease in discomfort, social prestige, and savings of time and effort, respondents' exposure to different technologies have affected how they adopt RPA especially during test usage. Trialability is also the stronger predictor of the adoption of RPA.

Recommendations and Future Research Direction

From management perspective, the aim is to properly identify if the organization fits with the application of RPA. Examination of the organization's vision and mission must be done to align the strategy with the benefits of RPA in the company. RPA has high initial costs of implementation so management must properly identify the items for capital budgeting decision that needs proper evaluation. Once RPA is tested in the organization, managers need to establish a performance measure to critically assess RPA and operational flexibility. Also, RPA implementation has a possible effect on the employees. The perceptions of employees that they are replaced by hardware that works 24/7 may result to a dilemma within the organization. Management needs to properly conduct series of consultations, trials on use, and gathering of feedbacks from employees on how they perceive working together with RPA. Big data management and technologies other than application of Microsoft Office are opportunities in accounting. This research spurs new studies on the accounting profession's attitudes towards other new management movements.

Because RPA is only implemented by few large companies, further research on managers who plan to test RPA need to analyze users' acceptance. Because the study dwells only on the persuasion stage of the decision process model, of accountants who are mostly revenue officers, and mostly single in early to middle part of career, further research can advance the model on the upper management, with a well-defined RPA. It is worthwhile to ask accountants about their specific concerns about technology and their reasons for fear adoption and accountant's mindset or attitude in a qualitative research to uncover deeper contexts in a qualitative research. The moderating and mediating effects of other variables such as the influence of gender, age, income, and lifestyle on the readiness to adopt RPA are also areas for future research. The model can be tested further with a parametric test that satisfies strict statistical assumptions, and the variables can be expanded to other group of respondents from IT department and other relevant personnel, while using the latest theory of UTAUT or TAM as lens. Further research can also examine users' acceptance from different locations and across different industries to expand the context of this research. The measurement technology readiness of respondents is a research opportunity. While researchers develop artificial intelligence (AI), business intelligence (BI), cloud computing, digital accounting, and remote sensing, and other accounting software, this study dwells on the attributes of adoption of robotic process automation in accounting. With the unfamiliarity to modern RPA in accounting by the respondents, this research poses opportunities to establish specific RPA in accounting as focal point of future research.

Conclusions and Limitations

Users adopt RPA as an innovation if they experience the trialability attributes. Trialability is the most important innovation attribute that affects RPA in accounting that highlights a preliminary experience of the features, and easy to use capabilities of RPA. RPA in accounting is in its beginning stage and helps prevent spread of diseases through social distancing. Theorizing said benefits of trialability impacts adoption of RPA. Introduction of new accounting techniques ensures further advancement of RPA towards its adoption. Faced with large volume of transactions and big data, adoption of RPA in accounting is triggered by the unavailability of information, urgency of reports and managing data errors, and pandemics. Trialability influences alignment of RPA adoption on how users perform their accounting processes while considering costs, risks, and returns. Testing ensures that accounting is being improved to cope with changing standards and frameworks while overcoming fear of the innovation adoption. RPA benefits accounting on data management and information gathering. To ensure RPA adoption in accounting, limited experiments to evaluate the experience on RPA must be well planned and implemented.

Trialability is the highest predictor of RPA adoption in accounting, as indicated in this research. Commercial research discussed that accounting would be perfect application of RPA because of the volume of transactions and big data needed to be processed in every accounting task. However, accountants' primary issue was on how they would gather information in a clear and understandable manner. This implied that RPA innovation adoption needed to focus on how to provide a "feel" for the respondents on the use of RPA before being adopted in the accounting processes. The moderating or mediating effects of other variables that included the influence of gender, age, income, and lifestyle on the readiness to adopt RPA were not tested in this research. Further, RPA should be adjusted on data management to compensate for the volume of transaction handled by the users. The contextual limitations were focused on the analyses of innovation characteristics of robotic process automation adoption. Research participants were limited to accounting professionals, public practitioners and accounting firms located in Tuguegarao City.

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Stakeholder relationship management in African rural tourism development

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Stakeholders are one of the key components of rural tourism development, especially the stakeholders of the community-group. Rural tourism and its sustainable development can complement diverse economic drivers and link various economic sectors while preserving natural resources and local culture. The purpose of this paper was to ascertain a rural African community's notion of tourism development and its relationships with stakeholders in the community-group. Using a questionnaire survey methodology, our findings indicate that the community regards the stakeholders in the community-group as important, as well as the trust and commitment associated with relationship building. The implication for managers is that they should involve the local community and other stakeholders such as educational institutions and local government in the development of tourism for the the benefit of the rural community.

Keywords: Africa, rural tourism, stakeholder relationship management, tourism development

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Introduction

Relationship management is not a new concept and has taken on many forms to address specific organisational constituencies. Relationship management is borrowed from relationship marketing and became a formal approach to understanding, defining, and supporting a broad spectrum of inter-business activities related to providing and consuming knowledge and services via networks (Gilboa et al. 2019, Luu et al. 2018, Zou et al 2014). Good relationships are nowadays important and integral to an organisation's success, hence the expansion in the field of relationship-based management philosophy application (Cheung & Rowlison 2011, Smyth & Pryke 2008, Zineldin 2004). The relationship management of the community-group stakeholders is of paramount importance in contributing towards the development of tourism in a rural setting.

Infrastructure development, poverty alleviation and job creation remain the foremost development imperatives for the South African Government (Department of Trade and Industry (DTI), 2010; Department of Economic Development (DED) 2010). Historically, the areas where the worst levels of poverty are recorded consist of 20 percent of the population living in extreme poverty (below the food poverty line) and a further about 45 percent who live in moderate poverty (sacrificing food for non-food items) which coincide with the boundaries of the ten respective homelands set up by government pre-1994 (Rogerson

2014, Statistics South Africa (StatsSA) 2012, Millstein 2014) which were under the administrative rule of tribal authorities.

Many authors contend that having sole authority over land ownership and land distribution put tribal authorities in a powerful position in post-1994 negotiations with the new government and ultimately prevented their disbandment under the new democratic dispensation (Khunou 2011, Knoetze 2014, Oomen 2005). The institution, status and roles of traditional leadership, according to customary law (Government Communication Information System (GCIS) 2014), are recognised in the Constitution of the Republic of South Africa (1996, Chapter 12, Section 211). In achieving effective cooperative, interactive and development governance at local level, tribal chiefs are recognised as public office bearers (Maxaulane, 2014) and are expected to play a critical role in governmental strategic objectives (Knoetze, 2014). This is relevant, particularly in rural development for poverty alleviation and job creation, preservation of arts and culture, sustainable environmental management, and most importantly tourism (Department of Provincial and Local Government (DPLG) 2003).

The purpose of the paper is to present an understanding of the community-group's perspective on tourism and the development thereof. Specifically, we aim to (1) establish the community-group's inclination to trust the Bakgatla-ba-Kgafela Traditional Authority (BBKTA), (2) analyse the community-group's commitment to the BBKTA, (3) establish the community-group's involvement in rural tourism development programmes, and (4) establish the community-group's participation in rural tourism.

In the following section, we give background to the BBKTA, develop a conceptual framework, conduct analysis and present findings followed by discussion and implications for managers.

The Context

The Bakgatla-ba-Kgafela (BBK) occupies one of the largest communal areas in the North West Province, South Africa, spreading over more than 32 villages in the Pilanesberg region within the boundaries of the Moses Kotane Local Municipality (MKLM). Kgosi Nyalala Pilane manages the administrative and economic affairs of the BBK through the Bakgatla-Ba-Kgafela Traditional Authority (BBKTA) from the administrative centre in Moruleng (Hamilton 2012, Mnwana 2014). The BBKTA is committed to promoting the socio-economic development of the BBK community and the region. The BBKTA launched a number of initiatives to expand its involvement in three key economic drivers: mining, agriculture and tourism. The BBKTA established relationships with the local community, private sector, and government to combat poverty, create employment opportunities, support small business development, and promote equitable economic development in the best interest of the community (Maxaluane 2014). The BBKTA needs to be cognisant of all their stakeholder groups (Morrison 2013) since all substantially contribute towards the success of the BBK. Stakeholder relationship management in rural tourism development can assist an organisation in establishing and maintaining good working relations with stakeholders (Bagautdinova *et al.* 2012). A closer look is taken to comprehend the role and responsibilities of traditional authorities, a key stakeholder within a South African context.

The BBKTA must be cognisant of all their potential groups of stakeholders, since all can contribute (Morrison 2013) towards the success of the BBKTA, including the development of tourism in a rural setting. A key to the formulation and implementation of strategies and programmes directed at tourism development is stakeholder support, particularly the community-group, consisting of local residents, business associations, entrepreneurs, educational institutions, and others such as the local municipality (Kruja & Hasaj 2010, Ramachandra & Mansor 2014). Managing the community-group's relationships will enable the BBKTA to understand the needs and opinions of these stakeholders concerning the development of rural tourism, and to gain their trust and commitment. The BBKTA will place relationships at the centre of the organisation and link organisational strategies and capabilities to improving relationships with other tourism stakeholders (such as tourists, destination management organisations

(DMOs), private tourism establishments, and various others) when they understand trust and commitment as components and the importance of involving stakeholders (the community-group as in this case) in the planning process.

Literature Review

Traditional Authorities in South Africa

The specific roles and functions of tribal authorities in achieving national development objectives related to each of the three spheres of the South African Government (national, provincial and local) are specified in the White Paper on Traditional Leadership and Governance (DPLG 2003). Apart from their traditional duties (the well-being of communities, land use and land tenure, agriculture, health, wealth distribution, community development, traditions, culture and customs, and conflict resolutions) (DPLG 2003), they are assigned critical roles in assisting government in implementing rural development strategies and service delivery at the local level (GCIS 2014).The principle of community-based sustainable rural tourism development for poverty alleviation and job creation was delineated in the first National Tourism Strategy and the White Paper on the Development and Promotion of Tourism in South Africa (Department of Environmental Affairs and Tourism (DEAT 1996). Community-based tourism development and its pro-poor focus remain the main themes of the National Tourism Sector Strategy (NTSS) (National Department of Tourism (NDT 2011). In order to maximise the impacts of tourism expansion, as explained by Rogerson (2013) for local communities, a critical role must be assumed by tribal authorities through an integrative partnership with key role players, such as the South African local government and the community-group, in the strategic management of sustainable tourism growth in a rural setting. The collaborative functioning of the BBKTA, local government (Moses Kotane Local Municipality) and the stakeholders in the community-group is critical for the development of rural tourism and should ultimately bring socio-economic benefits for all stakeholders.

Relationship Management

Relationship building and managing relations with local government and the community-group are an integral part of sustainable rural tourism development, because the process will empower the community-group and motivate them to support tourism development initiatives Beeton (2006). Furthermore, this will enable the traditional authority to align its strategies and programmes with that of local government in an endeavour to develop sustainable tourism in a rural setting. Relationship management is all about developing effective relationships between organisations and groups (also referred to as stakeholders) important to them, including the media, tourists, investors, community leaders and members, activist groups and government agencies (Lattimore et al. 2009). For the purpose of this study, the focus was on the traditional authority managing its relationship with the community-group and local government. Relations management has been described by numerous scholars and following is a synthesis of the description. Table 1 presents different descriptions of relationship management over a period of time.

From a management perspective, as suggested by Skinner et al. (2011), the BBKTA have to be sensitive towards and come into contact with both internal and external stakeholders, whose collective views constitute stakeholder opinion. Hendrix and Hayes (2007) mentioned that relationship management, as a management function, encompasses the following and it has been supplemented with additional sources where applicable: (1) Anticipating, analysing and interpreting public opinion, attitudes, and issues that might impact, for good or ill, the operations and plans of an organisation. (2) In a modern democracy, every organisation survives ultimately only by public consent. (3) Counselling management at all levels in an organisation with regard to policy decisions, courses of action, and communication, taking into account their stakeholder ramifications and the organisation's social or citizenship responsibilities (Gregory 2012). (4) Researching, conducting and evaluating, on a continuing basis, programmes of action and communication to achieve informed stakeholder understanding necessary for the success of an organisation's aims (Hendrix & Hayes 2007, Lattimore et al. 2009). (5) Planning and implementing organisational efforts to influence or change public policy (Gregory 2012).

Table 1. Relationship Management

Author(s)	Description
Brody (1988)	Relationship management refers to the process through which organisations seek to achieve an accommodation with stakeholder groups over issues of mutual concern.
Gummerson (2005)	Life is a network of relationships, and so is a business. No individual or businesses exist in isolation, especially in the modern world of interconnected information and communication technologies.
Hendrix & Hayes (2007)	Helps the complex, pluralistic society to reach decisions and functions more effectively by contributing to mutual understanding among groups and institutions.
Lattimore et al. (2009)	Is a leadership and management function that helps achieve organisational objectives, defines philosophy, and facilitates organisational change.
Gordon (2011)	Is developing relationships to help to communicate about an organisation, an issue, a person, or a product. It means identifying anticipated outcomes in order to know how to communicate effectively with groups of people, at varying times, often through the media but also through events, individuals, and groups.
Skinner et al. (2011)	Is an art and social science that analyses trends, predicting their consequences, counselling organisations' leaders, and implementing a planned program of action which will serve both the organisation and the stakeholders' interests.
Gregory (2012)	It is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its stakeholders.
Skinner et al. (2013)	Relationship management helps an organisation and its stakeholders to adapt mutually to each other.
Shao et al. (2020)	Relationship management described as the marketing activities directed towards establishing, developing, and maintaining successful relational exchanges.

One of the most important audiences an organisation has is its community, the home of its offices and its operations (Beeton 2006). Maintaining good relations with the community usually entails management and employees becoming involved in and contributing towards local organisations and activities. In addition, an organisation may communicate with the community in other ways, such as the distribution of memorandums and/or written letters or meeting with community leaders. Often, community relations activities involve face-to-face interaction between an organisation and its public, and this is in most cases one of the most powerful forms of influencing attitudes (Beeton 2006, Hendrix & Hayes 2007). Interaction between the community-group and an organisation increases the learning relationship between parties and this should be continued to be improved over the long-term, as mentioned by Berndt and Tait (2014). Relationship outcomes are the consequences that alter the environment and secure, maintain, and/or adjust goals within and outside an organization (Gallicano 2013). Furthermore, Johnston et al. (2012) contend that as part of the strategic relationship is working closely together on a long-term relationship with mutual benefits in mind, such as between the BBKTA and the Moses Kotane Local Municipality for the development of rural tourism in the BBK community in order to culminate into economic and social benefits.

Many relationship studies, such as that of Ki and Hon (2002), Chia (2005), Phillips (2006), Waters (2008), Kang and Yang (2010), Rossouw and Van Vuuren (2011), Leppelt et al. (2013), Pechlaner and Volgger (2015) and Berndt and Tait (2014), outlined the essential ingredients of a relationship: trust, commitment, satisfaction, control mutuality, scope and power, as shown in Table 2. Trust and commitment are noted as the most common denominators for relationship building and management, and relationships can be successfully developed by the BKKTA with the community-group if there is trust and commitment. To build trust and commitment, the BBKTA needs to know and understand itself and the community-group thoroughly.

Table 2. Concept Analysis

Authors	**Essential Ingredients**						
	Trust	**Commitment**	**Satisfaction**	**Control mutuality**	**Communication**	**Scope**	**Power**
Shao et al. (2020)	√	√			√		
Vohra & Bhardwaj (2019)	√	√					
Pechlaner & Volgger (2015)	√	√					
Berndt & Tait (2014)	√	√					
Leppelt et al. (2013)	√					√	√
Rossouw & van Vuuren (2011)	√	√					
Kang & Yong (2010)	√	√	√	√			
Waters (2008)	√	√	√	√			
Phillips (2006)	√			√			
Chia (2005)	√	√					
Ki & Hon (2002)	√	√	√	√			
This research	√	√					

The success of a business relationship lies in the development and growth of trust and commitment among stakeholders (Berndt & Tait 2014). Applicable to this study is establishing trust and commitment between the Bakgatla-ba-Kgafela Traditional Authority and the community-group it serves. In addition to trust and commitment, stakeholders also need to have shared goals and mutual benefits to be able to build a successful relationship. In order to build successful community-group relationships, relationship trust and commitment are essential. Interactions between stakeholders lacking these elements do not develop into relationships. The commitment-trust theory of relationship marketing explains that relationships exist through the retention of trust and commitment. Therefore, when both trust and commitment are present – not just one or the other – then only are outcomes produced that promote efficiency, productivity and effectiveness (Wu et al. 2010). It is consequently necessary to devote more attention to trust and commitment, which also form the basis of this specific study.

Trust

Trust is generally regarded as an expression of confidence between parties in an exchange where neither party will be harmed or put at risk by either party's actions (Won-Moo et al. 2011). Therefore, trust is the willingness to rely on an exchange partner in whom one has confidence, according to Johnston and Grayston (2005). In addition, Rossouw and Van Vuuren (2011) describe trust as an optimistic disposition displayed by a person pursuing a goal and taking the risk of relying on another person or party for attaining that goal. Trust is therefore the cornerstone in terms of constructing a long-term business relationship and partnership. Trust refers to the depth and assurance of feelings based on inconclusive evidence (Akrout & Diallo, 2017, Tabrani et al. 2018, Wang et al. 2020).

Uncertainty and risk are necessary conditions to reveal the value of trust (Moorman *et al*. 1993). Moreover, trust is also demonstrated by the confidence of the benevolence of trustees, ability, integrity, and predictability in uncertain circumstances (Gefen 2000). These factors have a significant impact on how trustworthy an organisation is perceived to be by its stakeholders and are explained as follows: (1) Benevolence – this refers to a trustor's perceptions of a trustee's efforts, as well as the willingness to achieve some value that is desirable in a relationship without rewards (McKnight & Chervany 2002, Rossouw & Van Vuuren 2011). (2) Ability – this refers to the perceived competence level of individuals and/or organisations to perform some intended behaviour (McKnight & Chervany 2002). (3) Integrity – referring to righteous behaviour. Within a virtual environment, integrity implies the compliance with commonly accepted values, principles and rules (Chia 2005). (4) Predictability – referring to a trustor's belief that a trustee will adhere to a promised transaction, as well as interaction policies and guidelines (McKnight & Chervany 2002).

According to Rossouw and Van Vuuren (2011), there are a number of compelling reasons for addressing trust and these are: distrust is expensive for an organisation; trust facilitates co-operation between stakeholders; trust promotes loyalty amongst stakeholders; trust is a foundation for an ethical organisation; and lastly, commitment is built on trust. Building trust needs to be on the agenda of any organisation so that every partner involved anticipate that it is important to build a sustainable relationship between stakeholders, as advocated by Chia (2005). This is the premier of sound relationship management where agreement and disagreement are accepted as part of a normal relationship and where transparency of communication exchange allows for the development of trusting relationships (Johnston & Grayston 2005).

Commitment

Trust manifests the confidence a trustworthy party is associated with and contains valuable qualities such as ability, integrity, predictability and benevolence (McKnight & Chervany 2002). Relationship commitment is built on trust, and commitment is described by Lin (2008) as an exchange where partners believe that an ongoing relationship with one another is important as to warrant maximum effort at maintaining the relationship. Relationship commitment exists, as indicated by Jian and Jeffers (2006), only when relationship parties consider the relationship as important, beneficial, and valuable. When a committed partner wants to retain a relationship, the important behaviour attributes, including high motivation and loyalty, will be needed (Lin 2008, Phillips 2006).The shared values regarding appropriate behaviours, goals, and policies are important antecedents to both trust and commitment, because it increase the perceived ability of partners to predict the other's intention and behaviour (Jian & Jeffers 2006). Some time ago, Moorman et al. (1993) proposed that when parties exchange common values, they are more likely to maintain a social relationship, and this is still valid today. Satisfaction is a positive affective state resulting from the appraisal of all aspects of community services and interaction (Chia 2005, Chiu et al. 2005, Doney & Cannon 1997). Satisfaction with interaction that begins at the outset of a relationship tends to lead to the development of trust and a continuous relationship (Lambert 2010). Trust and commitment are both integral elements within the context of relationship management with stakeholders, in particular the community-group. Managing relationships enables an organisation to reduce uncertainty and furthermore to motivate stakeholder participation and commitment to programmes and projects initiated.

Conceptual Framework

The BBKTA to build and manage a its relationship with its stakeholders in the community-group lies in the development of trust, as trust will facilitate cooperation between BBKTA and the community-group, promotes loyalty, and more importantly enhance the commitment levels of the community-group to the programmes and project initiated by the tradional authority, as depicted in Figure 1. Trust and commitment are both integral elements within the context of relationship management.

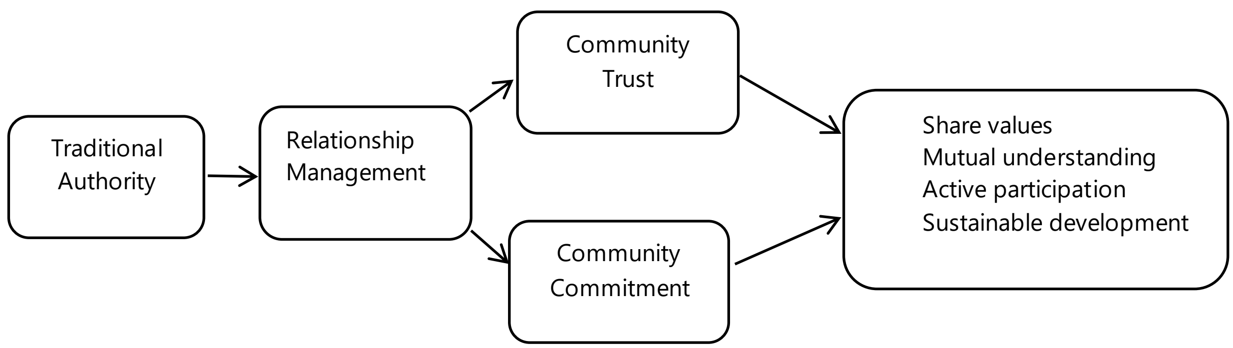

Figure 1. Relationship Management Variables – Trust and Commitment
Source: Adapted from Vohra and Bhardwaj (2019)

Research Method

A survey was undertaken to obtain quantitative data needed and the data extracted was analysed using the Statistical Package for Social Science (SPSS). Both descriptive and inferential statistics were used for the purpose of this paper, each providing different insights into the nature of the data obtained.A pilot study was a strategy used to test the questionnaire using a smaller sample compared to the planned sample size, as advised by Devlin (2018) and Salem and Lakhal (2018) and enabled manipulating one or more variables with the aim of finalising the questionnaire to produce the desired outcome. The non-probability convenient sampling for the quantitative method was used. It is a method that relies on data collection from a population who is conveniently available to participate in a study (Thomas 2003, Watkins et al. 2011, Zijlstra et al. 2011). This method involved accessing participants wherever in the chosen villages and typically wherever convenient (Collis & Hussey 2009). The BBKTA was approached requesting permission to collect data from the four villages and authorisation was granted by the BBKTA council. An ethics clearance letter was issued by the NWU and provided to external organisations. The survey was conducted in four villages nearby the BBKTA administration offices in Moruleng and the villages selected were: Lerome, Lesetlheng, Matangwaneng and Manamakgotheng. A total of 800 questionnaires were distributed and the recommended sample size, according to Matthews (2010), with a 95 percent level of confidence and a five percent margin of error for a population of 350000 is 384. However, 480 questionnaires were returned and only 359 could be used after data editing and cleaning, although there were some missing values causing n to vary. The paper was limited to the community-group and does not include stakeholders from any other groups due to the scope of the research project, as well as due to time and financial constraints. In addition, this paper could for all practical purposes not include all the residents in 32 villages and the paper included four villages.

Results

Table 3 reports sample characteristics of the study. Cross tabulations were performed and the following facts emerged: it is mainly the 21-40 age group whom are unemployed; there is a large group of community members with school and post-school papers who are unemployed; respondents are mostly of the opinion that tourists do not visit their community and that they do not benefit from tourism; 47 percent indicated that employment is the biggest benefit they would gain by tourism and 51 percent indicated that local businesses do not employ people from the local community.

Table 3. Sample Characteristics

Descriptor	Frequency (%)	Observations
Gender:		
Male	49.0	
Female	51.0	
Age:		Sixty-seven percent (20-40) is economically active group with mean age of 31 years
≤20	36.2	
21-40	30.9	
41-60	24.4	
61+	8.4	
Marital status:		Single-parent households are common in South Africa and concurres with the mean age of 31.
Single	67.0	
Married	25.0	
Widow/Widower	4.0	
Divorced	4.0	
Education:		High school and post-school (92%) indicating a literate community who can be economically active.
No schooling	2.5	
Primary school	5.3	
High school	61.2	
Post-school	30.9	
Occupation:		Employed and own business (30%) who are economically active and in contradiction to the 556% students and unemployed – immense burden on community; 27% unemployed is South African trend.
Student	37.1	
Employed	15.9	
Own business	13.6	
Unemployed	27.5	
Retired	5.9	
Length of stay:		Well established community who should have had a well-established tourism industry.
≤5 years	17.0	
6-10 years	20.0	
11+ years	63.0	

The research instrument contained eight items under the sub-heading of measurement of stakeholders. The focus was on the importance respondents place on members of the community-group as stakeholders in tourism development. The semantic differential scale consisted of a seven-point scale of which two end points are two opposites that range from *Not important* to *'ery important*. The construct measured all stakeholders in the community-group's level of importance with regard to contributing to tourism development in a rural setting. This was followed by measuring the community-group's level of trust and commitment towards the BBKTA as an LDMO, and the seven-point scale semantic differential scale consisted of two end points ranging from 'Not at all' to 'Totally'.

The reliability results for the following construct are: (1) Stakeholder importance – seven items measuring the importance respondents place on members of the community-group as stakeholders in contribution towards tourism development (α=.92) (2) Trust and commitment – two items measuring the level of trust and commitment respondents place on the BBKTA in managing tourism development on behalf of the community (α=.92). Both the constructs had excellent reliability coefficients and the research instrument is consequently regarded as reliable to measure the importance respondents placed on the community-group as stakeholders in tourism development, and subsequently, measuring respondents' level of trust and commitment towards the BBKTA as an LDMO. The mean score of 5.48, as illustrated in

Figure 2 indicates the level of importance respondents placed on all the members of the community-group as stakeholders in tourism development.

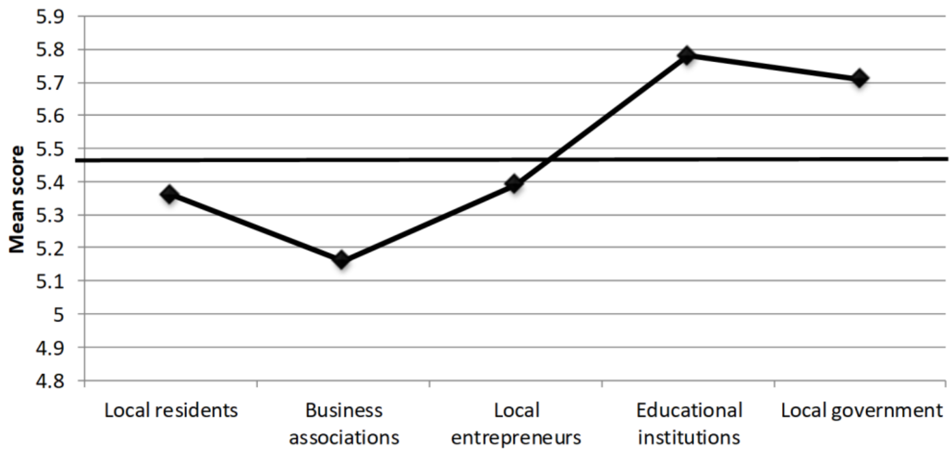

Figure 2. Measurement of Stakeholder Importance in Tourism Development: Mean Score
Source: the authors

The results reveal the significance of the community-group in the development of tourism. The community is the official beneficiaries of the benefits aligned with tourism development and will bear the detrimental effects of insufficient planning and management of tourism. Their involvement and participation in tourism development through the decision-making process will lead them to determining their own goals for development and having a meaningful input in the administration and management of tourism development in their region.

The item measurement of local residents has a mean score of 5.36 which reflects that on average, respondents do regard themselves as stakeholders in the development of tourism in their community. The findings reveal that informed local residents with a positive attitude will undoubtedly contribute towards the development of tourism. The tourism sector depends on the goodwill and cooperation of local residents, especially when tourists visit a destination. The means scores of educational institutions and local government suggest that educational institutions ought to create tourism awareness and assist in changing the attitude and perception of the local community concerning tourism development. The findings highlight the importance of local government in the development of a destination, in particular in a rural setting. The Moses Kotane Local Municipality has a crucial role to play in providing leadership and strategic planning to ensure that all members of the community-group benefit from by the development of tourism, and by minimizing the risks associated with tourism. Local government should encourage the involvement of all the members of the community-group in the formulation of tourism policy as this will facilitate the uninterrupted implementation of programmes and projects. The BBKTA, as an LDMO, working in partnership with the Moses Kotane Local Municipality, can only gain and succeed in their endeavours to develop the community.

A mean score of 4.13 was obtained for both the level of trust in and commitment to the BBKTA as an organisation tasked with managing the community's tourism development and the findings clearly reflect that respondents were indifferent in their responses. The results propose that the BBKTA as an organisation created on the basis of managing the economic affairs for the BBK community, should instigate programmes that will assist in restoring the trust of the community. As part of restoring trust, the BBKTA should engage with and involve the community in the form of advisory boards and planning committees to establish a sense of mutual ownership. This will increase the community's level of commitment to tourism programmes and activities initiated by the BBKTA.

The BBKTA's tourism plans, policies and development objectives are core elements of the development of the region and ought to be aligned and integrated with that of the local government to improve the efficiency and effectiveness of developing tourism in the BBK community. Local government in South Africa has traditionally played an important role in supporting the development of tourism in local areas, in particular rural areas. This includes the provision of infrastructure, the development of tourist attractions, support for events and the implementation of tourism plans.

Respondents were given the opportunity to freely express their preferences and needs in terms of tourism development by means of an open-ended question, to which only 35 responded. The highest number of mentionings concern employment opportunities (31), and this was followed by product development/diversification, while the lowest was infrastructure development.

Discussion

The research findings revealed that 43 percent of respondents do not trust the BBKTA as an organisation that manages the tourism activities on behalf of the members of the community-group, while 41 percent of the respondents indicated that they do trust the BBKTA as a local destination management organisation (LDMO). The findings indicate that the involvement and the gathering of inputs from different stakeholders, specifically the community-group, in the decision-making phase of tourism development would assist in establishing synergy and trust among stakeholders, and subsequently, assist in the effectual and uninterrupted implementation of different projects. Literature recommended that in order to build successful community-group relationships, relationship trust and commitment are essential. Interaction between stakeholders lacking these elements does not develop into enviably relationships (Berndt & Tait 2014). The findings suggest that the BBKTA established a structured process that will allow the stakeholders of the community-group to express matters that might be adversely impacting on the trust they place in the organisation, and similarly allow the organisation to communicate its policies, strategies, and programmes for achieving the sustainable development of this tourism destination.

In addition, the findings revealed a mean score of 4.13 for the level of commitment respondents place on the BBKTA as an organisation that manages tourism development on their behalf. This finding clearly reveals that respondents are almost neutral when it comes to being committed to the BBKTA as LDMO. It was highlighted in the literature review that trust and commitment are both integral elements within the context of relationship management with stakeholders, in particular the community-group and local government. Managing relationships enables an organisation to reduce uncertainty and ambiguitiy among its stakeholders, and furthermore motivates stakeholder participation and commitment to programmes and projects initiated by the organisation. It increases the goodwill of the organisation among its stakeholders and goodwill is an intangible asset of an organisation that contributes significantly to its value and reputation. Stakeholder relationship management should seriously be considered by the BBKTA as a strategic management objective.

Subsequently, the success of relationship building and management is placed on the development and growth of trust and commitment among stakeholders – in terms of this study, establishing trust and commitment between the Bakgatla-ba-Kgafela Traditional Authority and the community-group it serves, as well as the Moses Kotane Local Municipality. In addition to trust and commitment, stakeholders also need to have shared goals and mutual benefits to be able to build a successful and sustainable relationship, and in this case all three role-players have a stake in the development prospects of rural tourism.

Conclusion

Trust and commitment are critical components in the process of relationship building and management. Trust is the foundation upon which relationships are built and constructed, moreso in an organization tasked with managing the resources on behalf of a community. Being open and honest, disseminating information, and transferring ownership to the community-group are essential in building and managing the relationship. This in turn will encourage stakeholders in the community-group to become involved in and committed to the tourism programs and activities initiated by the BBKTA. The support and commitment of the community-group in tourism are critical for the sustainable development of rural tourism. The BBKTA and role players should formulate development strategies that contribute towards creating employment opportunities and to develop a vibrant, equitable and sustainable economy that will enable the local community to benefit from tourism, in particular through job creation. Tourism brings entrepreneurship opportunities, creates employment and has the potential to alleviate poverty in a community, in particular in a rural region. Furthermore, the responses obtained clearly indicate that there is a need for tourism product development and diversification in the BBK community to enhance the experience of tourists.

The community-group's involvement and participation in tourism development are dependent on the BBKTA being transparent with their operations and management of programs and giving acknowledgement to the views, ideas, and abilities of not only the community-group, but also all other stakeholder groups. Overall, the active engagement and interaction with the community-group will allow for good transparent strategy formulation in pursuit of the achievement of sustainable rural tourism development that not only create socio-economic prospects but fulfil expectations. There are many research prospects that could be considered: (1) To investigate the partnership and collaboration between all role players in the development of sustainable tourism in the BBK community. (2) To investigate the role of a traditional authority in the management of rural tourism development in South Africa. (3) The collaborative and partnership framework can play a prominent role in harnessing the enormous potential of tourism in the BBK community. The paper concludes that the stakeholder relationship management can contribute to the development of sustainable rural tourism that will not only contribute towards the economic prosperity of the BBK area but also towards the prosperity of the community and its attractiveness to tourists.

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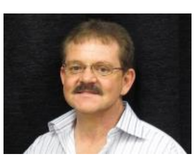

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BOOK REVIEW

The Book

Palazzo, Maria 2019. Linking cultural dimensions and CSR communications: Emerging research and opportunities. USA: IGI Global

The Reviewer

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The impact of culture on business has been the topic of research in last decades; however, recently, focus has been on the relationship between organizational culture, corporate performance and importance of such relationship for company's competitive advantage and value creation for stakeholders. In this context, the book explores the link between the corporate social responsibility (CSR) and the cultural dimensions of communications. The concept of CSR reshapes companies' strategies, as witnessed, in recent decades, under the rule of the need to promote the sustainable development principles. It is the paradigm shift of the mission that companies have in modern society. Maximizing profits for shareholders is gradually being replaced by maximizing the value created for stakeholders, with companies aiming to maximize profits, promote CSR and business ethics. For this reason, the book analyzes the impact of cultural dimensions on CSR engagement, performances, and communications of specific companies.

The scientific approach of the book is excellent as few studies have investigated the impact of cultural dimensions in communicating on social responsibility efforts of companies. Starting from the cultural dimensions specific to each entity, the author focuses on the comparative research in the communications made through the websites of listed companies, which is characterized by increased transparency given both legal regulations and their desire to meet investors' information needs. The book has six chapters and is structured as follows. A literature review summarizes past perspectives on the relationship between CSR and cultural dimensions (in the first four chapters). Chapters five and six explore the method of the study and introduce the sample selection and the coding scheme. The results are then reported with discussions and implications.

Specifically the aim of the book is to evaluation Hofstede's cultural dimensions in the context of the CSR. The author conducted a quantitative content analysis of 352 websites of multinationals firms which were included in the Dow Jones Sustainability World Index (DJSWI) and the Hang Seng (Mainland and HK) Corporate Sustainability Index (HSMHUS). The results indicate that there is a difference between firms operating in Asian culture and firms operating worldwide. The novelty of the author's scientific approach lies in the analysis of the complex, interdependent relationship between CSR and cultural dimensions. The conclusion, according to the author, is that cultural dimensions are factors that should be analyzed as social aspects, whereas online CSR communication should instead be explored as strategic feature. Further, the book contributes to the analysis of the impact of country-level dimensions of cultural values on online CSR communication. The results of the research suggest that managerial decision-making processes such as CSR communication are largely independent from Hofstede's cultural dimensions and that the CSR disclosure from companies in different world regions does not follow the supposed cultural differences. The book also provides insights into the Internet culture, highlighting that it can overcome the impact of national cultural dimensions and dilute their influence when analyzing communication approaches. The author concludes that some managerial decision-making processes (e.g. CSR communications) are largely independent from Hofstede's cultural dimensions and that the globalization of business and "culture of the Internet" expansion may dilute the cultural dimensions' influences.

Further, international businesses need to respond to increasing demands from stakeholders to involve companies in promoting sustainable development and corporate social responsibility. The multilateral institutions such as the United Nations or the Organization of Economic and Cooperation Development have forced companies to become socially responsible. Thus, companies endeavor to maximize their positive role in economy and minimize their negative externalities.

Overall, the book stands out in its multidisciplinary approach as the author analyzes the relationship of interdependence between culture, marketing communication and social responsible strategies of specific companies. The author emphasizes the importance of in-depth and qualitative studies of organizations such as symbolic and intangible aspects of organizations and management strategies. A well-developed empirical research provides new insights from these domains of interest. I appreciate very much the philosophy of this book as it is a mixture of theory and practice based on empirical research which makes it useful for doctoral students, practitioners of corporations or non-profit organizations who have interests in CSR and communications. Implication for managers is that they would better understand the complexity of the environments in which they operate and interactions with numerous stakeholders—customers, portfolio investors, competitors, public authorities, employees, suppliers, and retailers. Indeed the book has high practical and scientific applicability.

Reviewer

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