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Editorial

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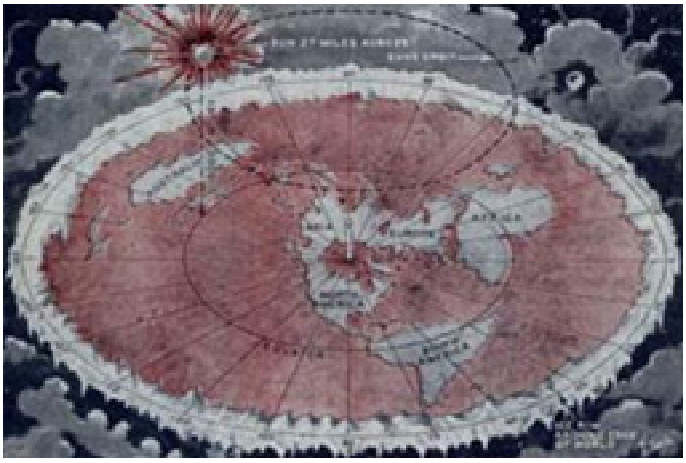
From the Editor - Analysis of the US's decision to withdraw from the Paris protocol



The Trump policy to withdraw from the Paris Climate Agreement seems foolish indeed and will orchestrate the US's downfall morally and economically and rob the US of its self claimed standing as "leader of the free world".

It is noted of course that not all US States or businesses are going to adhere to this 'directive' and they are wise to do so, particularly those with global trade and who monopolise niche markets, such as the technology giants. The world could and should now boycott all countries and parties that are going to continue to churn out pollutants into a world greatly floundering under the excesses of humanity's more questionable practices. Not only should the products and services of those who continue to pollute and exploit be boycotted, careful note should be made of the supply chains involved in their manufacture to encourage these same companies to use more enlightened and safe suppliers, and technologies.

It is a moral consideration for all humans whereby one generation of humans destroys the future of all humans yet to be born and also destroys the dreams, hopes and ambitions of those who lived in the past. Morally Trump's climate Paris protocol decision is 'bad' (to parody the man himself) but it is also 'bad' economically and poor practice, poor business and without insight.

The underlying reason of course is self interest of those of his wealthy colleagues who have have personal vested interests in destructive and outdated practices. It is why they have pushed this line,. They would be the first to abandon coal miners and other workers they say they are concerned about if there was no longer any money (or votes) in it for them personally. In the 1970s, coal mining employed a quarter of a million Americans. By 2015, fewer than 100,000 people were employed in US mines. There is not even a valid economic argument for the continuation of its use.

Coal and all fossil fuel is 'dead technology'. The Paris climate agreement not only allows every country in the world to provide a sustainable future it also provides a wealth of business and entrepreneurial opportunities based on a different set of wiser technologies.

Desert countries that receive too much sunshine and not enough rain for agriculture may now have a perfect opportunity to generate and export solar power. Windy and inhospitable countries can generate wind powered energy. The people who invent a means to store such renewable energy readily have a new global opportunity in their reach. Those with rivers and mountain ranges can use small hydro power. And they are only the current run of new forms of energy. There is huge potential for new players in the market, and not just utilising current technologies but other technologies yet to be invented or applied.

The old pollution problems, including the excess carbon dioxide in the atmosphere and the oceans awash with plastic waste could be the source of new raw materials and humans could 'mine' such and fix these problems at the same time. That would be clever technology and clever thinking. This is a carbon based world and carbon is going to be a part of the scene for a long time, so utilising that excess carbon in safe ways would be intelligent. These are at the moment free resources and if accessed have the double benefit of solving two problems at once.

My personal vision is for a high tech world and pristine nature. Who would not want it? It is within the scope of our ingenuity and surely a favourable outcome for all life forms. That is where we should be focusing - not digging up detritus from past prehistoric ages. It is only a good thing for the diggers and polluters. It was never a good thing for anyone or anything else.

The quantum computer, the silicon chip, solar power, improved batteries, Gravity, magnetism small hydro and tidal, even the energy within the atom has yet to be cleverly and carefully exploited.

So the US has taken a very backward step under its current administration. It is time for the flat earthers, the troglodytes and the neo-colonialists busily exploiting and economically enslaving poorer nations and commandeering their resources for their own ends, to be put an end to and each nation needs to start utilising the best of what it has in innovative and clever ways. There could be hope for all of us once the dust and the smoke disappears.

Meanwhile the southern states of the US have just had a record heatwave, hindering commercial activity. Bad.

Lesley Pocock,
Chief Editor and Publisher:
Middle East Journal of Business
medi+WORLD International
Email: lesleypocock@mediworld.com.au

Strategic Management Practices by Morrison PLC, UK. Analysis, Lessons and Implications

Fazal Haleem (1)
Muhammad Jehangir (2)

(1) PhD Scholar, Abdul Wali Khan University Mardan, Pakistan
(2) Assistant Professor, Abdul Wali Khan University Mardan, Pakistan

Correspondence:
Fazal Haleem
Abdul Wali Khan University Mardan,
Pakistan
Email: haleemfazal@gmail.com

Abstract

The study critically analyzes strategic moves made by Morrison PLC, based in the United Kingdom (UK), in terms of its merger, environment, and marketing mix. The first chapter documents differences in culture, structure, and leadership before and after merger and its impact on the firm's performance by using the McKensy 7S Framework. In the second chapter, Michael Porter Five Forces Model, SWOT analysis, and Value Chain are applied to analyze the macro environment, internal and external analysis, and to understand where the company is performing better (core competencies) respectively. Finally, marketing mix which is also known as 4Ps (Product, Price, Place and Promotion) and the firm's fit with market needs are documented followed by important lessons and implications. After thorough analysis, poor management, overconfidence, different customer base, culture imposition, positioning strategy and low stakeholder confidence are found to be responsible for the poor performance of the Morrison after merger.

Key words: Merger, 7S Framework, Five Forces Model, Value Chain Analysis, SWOT,
Marketing Mix, 4Ps, Morrison PLC

Introduction

Morrisons, a UK based food retailer, took over the rival grocer Safeway for 3 billion pounds in 2004 (BBC, 2004). The research starts with introduction to Morrison, followed by applying different internal and external strategic models. In the end implications and important lessons from the mistakes made by Morrisons are listed.

Morrison PLC

Morrison PLC is a UK based food retailer with more than 500 stores and online home delivery services. They mainly deal in food and grocery items with a focus on providing fresh and quality food through its own manufacturing facilities with its skilled, committed and trained professionals. It caters to more than 11 million through its online service. In order to remain competitive and help customers to save money every day, it offers food for low prices (Morrison, 2009).

1. Structure, Culture and Leadership before and after Merger:

This chapter discusses the pre and post merger changes in the structure, culture and leadership. For the analysis the 7S model developed by Mckinsey Consultants which is a very popular and widely used tool for analyzing successful implementation, has been employed. It has seven variables which are interrelated and rely on each other for organizational success (David and Amanda, 2005).

1.1. Structure:

Morrison was a single-format superstore and had hierarchical structure. It had Executive Directors, Executive chairman, Joint Managing directors, and Executive directors and Board of Management (Annual Report, 2004). On 3 February 2008 the Board was comprised of a Chairman, five Executive Directors and five Non-Executive Directors. The major change was that of establishment of Chief Executive Officer (CEO). The division of responsibilities between the Chairman and the CEO had been set out in writing and agreed by the Board. The Board was responsible for setting and approving the strategy and key policies of the Group, and for monitoring the progress towards achieving these objectives. It monitored financial performance, critical operational issues and risks. The Board also approved all circulars, listing particulars, resolutions and correspondence to the shareholders including the Annual Report, Half Yearly Financial Report and Interim Management Statements. It also delegated the operational responsibility to Property Board, Manufacturing and Distribution Board, Committees of the Board with the CEO and the Group Finance Director (Annual Report, 2009). Morrison's organizational structure remained almost the same because it converted the Safeway stores into Morrison format and got rid of other format stores like Safeway's Compact Stores (Annual Report, 2004).

1.2. Shared Values:

Morrison welcome strong competition but the competition should be fair. It believed that what it said it did in terms of planning and advertisement and it did not make spurious claims against its competitors (Presentation, 2006). Morrison cared deeply about food in terms of provenance, freshness, quality and cost. It believed that it offered the best value for money across all food ranges and offered its customers great prices on all products, not just promotions. It claimed that its employees were offering great services to its customers (Annual Report, 2009). The difference that could be found was that Morrison imposed its culture on Safeway by renewing badges and relabeling its brands and converting formats.

1.3. Style:

Morrison has an opportunist style of leadership because it continued to seek and exploit opportunities to develop new large stores in good locations (Annual Report, 2004). According to Rigby (2005), it was aggressive and over-confident; aggressive in the sense that the Finance Director, on visiting a Safeway store, said it was not a merger it was an acquisition. It was over-confident of its abilities as well, as it lost almost all the Safeway staff. A shift can be observed in its leadership style from over-confident and aggressive to goal-oriented. Morrison started getting close to the sources more than its competitors in order to become UK's food specialist for everyone (Annual Report, 2009).

1.4. Strategies:

Morrison stated its strategy as "Our strategy is working for us". Morrison was also trying to become a nationwide grocery retailer. It had been pursuing this by strongly improving the operating margin while shaping for growth (Presentation, 2009).

1.5. System:

Morrison had advanced Information Technology (IT), payroll, Human Resource (HR), Accounting, Financial, Distribution and Electronic Point of Sale (EPOS) systems in use (Presentation, 2009).

1.6. Skills:

Morrison's skills, capabilities and core competencies comprised of offering market street experiences, that is, fresh food and industry leading deals, Sun media promotion, collection card scheme, 'Let's Grow' campaign, industry leading availability, flexibility/competitive pricing and industry leading food deals etc (Presentation, 2009).

1.7. Staff:

Morrison had specialist and expertly trained staff in its different departments. There was a friendly working environment. It launched a programme, namely, "Fresh Food Academy" for training and developing skills of its employees (Annual Report, 2005). On 31 January 2007, there were 117,804 employees in Morrison.

After thorough analysis, poor management, overconfidence, different customer base, culture imposition, positioning strategy and low stakeholder confidence are found to be responsible for the poor performance of Morrison after the merger. These are discussed briefly below.

Difference in the accounting system posed a serious problem for Morrison's management. Due to loss of many old Safeway staff and lack of familiarity of the new system with Morrison's staff, it was not properly handled. As a result, Morrison had to put in 40 million pounds as a provision despite having received warning that profit would be 130 million pounds lower than expected (Rigby, 2005). Provision of 40 million pounds means this money will not earn any return and the profit warning discourages investors' confidence which leads to low investment and consequently low sales and profits. After acquiring Safeway, its market share increased massively and it became the fourth largest retailer. Morrison's management did not manage efficiently and effectively the sudden massive change in its size which resulted in profit warnings one after another. Consequently share prices were affected seriously (Jackson, 2005). Morrison had been successful in organic growth and had little experience of takeovers. As a result, Morrison did not manage the acquisition efficiently because the company it acquired was four times bigger in size and two times bigger in sales.

Due to Morrison's overconfidence, it lost many of Safeway's staff, believing it was better. In other words, it managed to retain only 150 out of 1800 employees (Rigby, 2005). This overconfidence cost Morrison in terms of losing people who had experience, familiarity with the system, culture, and customers, and who were trained. Putting it another way, Morrison had to recruit and train people who would have no experience and familiarity with customers and systems. This process not only cost finance but time as well. Similarly Morrison received profit warnings after the Safeway purchase and the scenario was getting bleaker but yet it did not react in time. Morrison's chairman Sir Ken Morrison was of the view that all was going to plan and did not take some practical steps (Rigby, 2005).

Safeway's traditional strength (loyal customers) was in Scotland. Though Morrison offered a cheaper product range it did not give much attention to old Safeway's offers that resulted in dissatisfaction of old loyal customers. Losing customers means low sales and ultimately low profits. Similarly in the South-East, it had to serve affluent demographics and due to its single-format stores, it did not meet the requirement of the market which again resulted in low number of customers (Roger, 2004).

Morrison's share price fell due to the merger with Safeway. Drop in share price indicates stakeholders have less confidence in the company. Low confidence leads to either no more investment or even withdrawals from the company. It affects both efficiency (liquidity) and economies of scale. Consequently cost of production increases and so sales drop because of higher prices and fewer customers (Annual Report, 2004).

Morrison had a focus-based positioning strategy because it focused on only the north of England, especially Yorkshire. Becoming bigger means going for economies of scales; as a result after the merger it had to change its positioning strategy from focus-based to low cost-based. It had problems with offering products according to the needs of the market especially southern markets due to the sudden change in size and customers. Due to change in positioning and little knowledge about other markets (south), it attained fewer customers which resulted in low sales and finally low profits (Jackson, 2005).

Morrison changed both formats and brands of Safeway. This culture imposition on the acquired Safeway did not bear good results because of the loyal customers. It looked like it was imposed on the acquired Safeway's customers, regardless of brand loyalty. As a result Morrison lost many customers which , in turn, led to low sales and consequently low profits (Jackson, 2005).

2. Environmental Analysis

This chapter covers macro environmental, internal and external analysis to understand where the company did better. For these analyses Five Forces Framework, SWOT analysis and Value Chain analysis have been carried out respectively.

2.1. Five Forces Framework:

Originally Five Forces Framework was first developed by Michael Porter for assessing the attractiveness (profit potential) of different industries. However, it has been widely used by businesses for identifying the attractiveness of an industry or sector in terms of competitive forces (Johnson, Sholes and Whittington, 2008. p.59). The model helps analyze the market, which, in turn, will be helpful in identifying the real strengths (core competencies) and weaknesses of the company.

2.1.1. Potential Entrants

Office of Fair Trading (OFT), Competition Commission and existing big players make market entry somewhat difficult for companies. However, potential entrants were Philip Green and the US venture capital firm Kohlberg Kravis Roberts (KKR) because they showed their interest in the UK retail market and had also offered a bid for Safeway in 2003 (BBC, 2003). Marriot Hotel International, 3663 First for Foodservice, and Price Waterhouse Cooper were found to be among other potential entrants.

2.1.2. Supplier power

Supplier power was relatively weak because of the few big players, namely; Tesco, Asda, Sainsbury and Morrison's large number of suppliers and also Morrisons had vertical integration. Similarly the bargaining power of buyer was also weak because of the few big players who offered a wide variety of products with competitive prices and also the buyers usually used to buy a small amount.

2.1.3. Threat of substitute

There was a very low threat of substitute products for Morrisons because it mainly dealt in fresh food. However, there was a fierce competition among the existing companies, that is, Tesco, Asda, and Sainsbury and some other small players like Lidl, Aldi, Netto, and Iceland etc., because almost all offered attractive deals on products, big cuts on prices and offered services like online shopping and free home delivery, as well as offering different kinds of promotion schemes and did extensive appealing advertising.

2.2. SWOT:

SWOT stands for strengths, weaknesses, opportunities and threats. It helps in identifying "strategies that align, fit or match a company's resources and capabilities to the demands of the environment in which the company operates" (Hill and John, 1998.P.7).

2.2.1. Strengths:

Morrison's strengths are Ian Gibson, expert staff and management, continuing growth in sales and profits, focused on core competencies and quality products, good relations with supplier, price cuts and promotion, good reputation, and clear positioning.

Ian Gibson was a very experienced person. He was also Non-executive Chairman of Trinity Mirror plc. He worked as a Chairman of BPB PLC, Deputy Chairman of Asda Group PLC, and a Director of Chelys Limited, GKN PLC, Greggs Plc and Northern Rock Plc. He was also a member of the Court of the Bank of England and had enjoyed a 30-year career in the motor industry, most recently as President of Nissan Europe (Morrisons, 2009).

Morrison had been very good in recruiting people with potential and also launched programmes for developing the knowledge and skills of its employees. For example, it launched Fresh Food Academy Programme (Morrisons, 2009).

There was an increase of 13% in underlying profit, that is, from 563 million pounds in 2007/08 to 636 million pounds in 2008/09. In terms of Sales, the sales increased from 5.0% on 3 February 2008 to 11.1% on 1 February 2009. Morrisons' sales lifted a record 11% compared with an equivalent period a year before, which in turn, resulted in from 11.0% to 11.5% increase in market share (TNS, 2008). While most businesses were struggling in a recession, the company announced in January that it would create 5,000 new jobs by the end of the year (Mortimer, 2009).

Morrison had been providing good quality products with competitive prices especially in the food range as the marketing director Michael Bates once said that they believed there was a unique opportunity to be the food specialist for everyone, in an interview (Mortimer, 2009).

Morrison had very good relations with its suppliers. In fact, the suppliers were more interested in Morrison to be a major player (Morrison, 2006). Morrison was the first major retailer to implement an auditing initiative in partnership with Fair Working Conditions (FWC), an organisation promoting, measuring and formally certifying employment practices worldwide (Morrisons, 2009). Electronic Point of Sale (EPOS) system had been in use in order to make the operations more efficient (Morrisons, 2006).

Morrison's price cuts and value proposition resulted in 8.1% sales growth in the third quarter before Christmas. Morrison was awarded Supermarket of the Year (Morrisons, 2009).

Morrisons was perceived as trusted, honest and offering down-to-earth value. It also had a strong culture and loyal customers in the north of England. It had also been able to attract 500,000 customers in 2008 due to its reputation for outstanding fresh, value and service (Morrisons, 2009).

Morrison had clear positioning as a provider of fresh-food with a competitive price. Similarly Aldi and Lidl had the positioning of cheaper prices while Tesco was known for its competitive prices especially of non-food wide variety grocery.

2.2.2. Weakness

Morrison's weaknesses are limited use of technology, limited products, single format, focus on north of England, and loss of Sir Ken Morrison.

Though Morrisons had been using technology, for example, a web site, EPOS and Self Service Check Outs there was a lot more to do as the other major players like Sainsbury, Asda and especially Tesco which had around 750,000 regular users were receiving close to 220,000 orders a week (Shifrin, 2006).

Morrison's product range was not as exhaustive as that of its competitors, for instance, Asda, Sainsbury and Tesco had been offering many other non-food products that ranged from hosiery to electronics along with food products.

Morrisons was still operating in a single format which did not bode well because it was difficult to have big superstores everywhere and so as a result it would have an adverse impact on sales that, in turn, led to low sales and profit. Similarly it had a strong focus on the North of England whereas it was equally important to focus on other stores (Morrisons, 2006). The last but not the least problem was the loss of Sir Ken Morrison in 2008 which would have its impact on the company because he had lots of experience and knowledge about the company.

2.2.3. Opportunities

Morrison had the opportunity to start enjoying the benefits of online stores in order to boost its sales and consequently its profits.

The UK grocery retailer market was growing in terms of rapid expansion, format development and the growth of non-food ranges. That meant that Morrison had an opportunity to go for further expansion in order to reap the benefits of being bigger and more diversified.

2.2.4. Threats

Morrison faced even more fierce competition from its rivals because price had become absolutely crucial to grocers in maintaining their competitive punch. The price war could lead to no or less profit margin.

Morrison had been facing a tough time due to poor economic conditions such as 3.0% inflation on core food products and increasing energy prices. This had an impact on its sales and ultimately on profit. Similarly the economic slump decreased people's purchasing power and so as a result people limited their spending that ultimately adversely impacted sales and profits.

2.3. Value Chain

Value Chain was developed by Michel E Porter. It is used to describe the activities within and around an organization, which together creates a product a service (Johnson, Sholes, and Whittington, 2008. p.110). It is very helpful to identify ways in which the performance of individual activities and the linkages between them can be improved (David, Campbell, Stonehouse, and Houston, 2003. p.45). Application of the model would help identify core competencies of Morrisons by finding out where it was performing better.

2.3.1. Inbound Logistics:

In the Inbound Logistics, Morrison had leading availability of supply and had no issues with supply management. It also had a good food distribution centre and stores throughout the UK (Presentation, 2006).

2.3.2. Operations:

The Operations consisted of preparation of most of the food stuff like bread and butter etc., handling, e.g. meat, in its own slaughterhouse and other non-food grocery and store maintenance (Morrison, 2009).

2.3.3. Outbound Logistics

In the Outbound Logistics, it offered mainly a wide variety of fresh food with down-to-earth value in terms of price and quality and other groceries to its customers in its stores (Morrison, 2009).

2.3.4. Marketing and Sales

Morrison had been good in its Marketing and Sales by launching from time to time different advertisements and promotion programmes like the recently launched "Let's Grow", "Collector

Card Scheme" and "TV advertisement". Currently Morrison is using the Sun Media Promotion (Morrisons, 2009).

2.3.5. Services:

Morrison got mostly trained staff to deal with customer complaints and problems and gave them a new experience by having launched its Fresh Food Academy and Fresh Value Food Products (Morrisons, 2009).

2.3.6. Procurement:

Morrisons had very good relations with its suppliers and they also wanted Morrisons to be a big player in the UK market. In order to make the operations efficient Electronic Point of Sale (EPOS) system was in use.

2.3.7. Human Resource Management:

The company employed Directors, Executives, President and other top managers with significant experience and unblemished record of success, for instance, Sir Ian Gibson as Chairman, Mark Bolland as Chief Executive and Mark Gunter as Executive Director. It also launched training and development programmes, for instance, Fresh Food Academy, for helping its employees develop skills and knowledge.

2.3.8. Technology:

Morrison had been using an Electronic Point of Sale (EPOS) system and Drive Time Planning System to ensure supply on time and more effectively. It also implemented Payroll System, HR System and had a website that communicates information about products, services and offers among other items.

2.3.9. Infrastructure:

Morrisons had been capable of getting the primary support activities sorted out with the help of its experienced and skilled management, sound financial position, its good relations with suppliers and Corporate Social Responsibility practices and use of technology.

Morrison's core competencies were vertical integration, market street approach and innovative value promotions. Here vertical integration referred to Morrison's ability to avail industry leading availability of grocery due to its own production and partly due to good relations with its suppliers. Large scale production (economies of scale) and good relations with suppliers made the operations more flexible and efficient which, in turn, enabled Morrison to provide fresh value products with competitive prices. Morrison's innovative value promotions, for instance, Sun Media Promotion, Collector Card Scheme, Let's Grow campaign and industry leading deals helped retain and attract customers that led to more sales and consequently more profits. Morrison's core competencies enabled it to gain competitive advantage of being the leading provider of fresh value food products with down-to-earth value and competitive prices (Morrisons, 2005).

3. Marketing Mix and Firm's Fit

Marketing mix which is also known as 4Ps refers to product, price, promotion and place. It is a useful tool to help shape the nature of its offer to customers (Backer, 2003).

3.1. Product:

Morrison offered two categories of products, that is, shopping and mainly convenience products. Convenience products could further be divided into food and non-food categories. Food product lines available at Morrisons were Eat Smart, The Best, Free from Range, Whole and Organic food. Drink product lines were wine, spirits and soft drink among others. Whereas, Market Street consisted of Fishmonger, Green-grocer, Family Butcher, The Bakery, The Delicatessen, The Lake Shop, Fresh to go and Oven Fresh ranges. The non-food category which Morrisons called Family Life had product ranges, namely, Entertainment, Baby, Health and Pharmacy, Gorgeous gift cards and Gardening etc (Morrisons, 2009). According to the Annual Report (2008), there were 18,000 product lines in a typical store, 32% of which had its own-brand labels. Morrisons had been increasing its product lines continually in order to best meet the demands of its customers. For example, it launched a brand new range of hot curry pastes and powder into 177 stores across the North East. It had been very keen about building and maintaining its brand, that is, fresh value products at competitive prices, for example, it was selling RSPCA Freedom Food approved Salmon in its stores (Morrisons, 2009).

3.2. Price:

Morrisons approach to pricing was competition based because it was absolutely crucial to grocers. Families could enjoy their festive fares for less as a result of the giants' battle for customers (Rigby, 2008). According to Financial Times survey, Asda had been able to offer the cheapest prices that year and beating its nearest rival, Morrison, by pound(s) 1.45 to deliver a festive meal for pound(s) 31.98. Marketing director, Michael Bagtes confirmed that Morrisons could offer fresh food at cheaper prices because the supermarket ran so much of its own supply chain (Mortimer, 2009;Rigby, 2008).

3.3. Promotion:

Morrisons had been promoting its products continually by different promotional techniques, for instance, it had launched a scheme called 'Let's Grow' in September 2008, which offered vouchers so that schools could redeem them for free gardening equipment (Mortimer, 2009). It also advertised on TV, featuring Lulu and Alan Hansen among others and also on its website. Morrisons mostly carried out its promotions through extensive price cuts and offers on special occasions like Christmas, Ramazan and Dewali. Morrisons also communicated its visionary message "food specialist for everyone" through different ways like change of logo, ditching the old strap-line "more reasons" and introduction of its brand new slogan "Fresh Choice For You " and launch of "Fresh Food Academy".

3.4. Place:

Morrison held 12.3% of the UK grocery market (Bokaie, 2008). Morrisons had not been very successful in placing its products more effectively and conveniently because of its single supermarket format. But McIver was of the view that Morrisons fresh food model could not operate on a smaller scale, therefore, it was not efficient to operate on convenience-format like its big rivals, for instance, what Tesco and Sainsbury are doing. However, it started comparatively smaller stores in some of the southern congested areas. Other shortcomings with Morrisons's placement was that it was not using the internet to make purchasing more convenient to its customers. As a matter of fact Tesco and Sainsbury were enjoying their online stores' increasing sales (Bokaie, 2008).

Consumer behaviour was significantly influenced by economic slump, rising food and fuel prices. Consumers were eating out less and are generally looking for cheaper forms of entertainment. All these suggested that Morrison fresh food specialty with its down-to-earth value was doing well and meeting the needs of the market. But on the other hand, Morrison product mix was not that exhaustive as that of other rivals such as Tesco and Asda. In terms of 'place', having vertical integration, Morrisons was mainly focusing on the north of England with single-format supermarkets and was not considering the importance of convenience stores in congested affluent demographics. Pricing strategies of Morrisons were excellent which were evidenced by continuous growth in sales and profits even in the bad economic conditions (recession). Though, Morrison's promotional efforts, price cuts, offers, advertisement and 'Let's Grow' scheme etc., were appealing, they were not as exhaustive as that of rivals. In the modern world, people are more busy than before, so as a result the online-stores' sales were growing faster and Morrison failed to serve customers in this part of the market. But on the other hand, Morrisons had been taking good care of environment, society which was evidenced by winning a plethora of awards such as Marketing Week Effectiveness in October 2008, Grocer Gold Award in June 2008 and Quality Drinks Awards in June 2008 (Morrisons, 2009).

4. Lessons and Implications:

1. Any difference in any system, for example an accounting system, could pose serious problems, therefore, before deciding to merge or acquire, efficient and effective strategies should be devised well in time and be thoroughly monitored and evaluated after merger.

2. It should be ensured that the experienced staff of an acquired company should be retained as they would prove to be vital asset of the newly formed company. Proper training and seminars should be arranged to help the acquired and acquiring company staff to work as a team towards the goals and objectives of the new company.

3. Newly formed firms should devise such strategies that enhance shareholder's confidence and avoid such moves that could lead to reduction in the share price such as warning of poor return or profit.

4. Efficient and effective strategies need to be devised and implemented to handle massive change in size, systems and culture.

5. A company should see its strengths before taking aggressive growth strategies. If a company is doing well in organic growth, then it should keep growing this way. However, if a company decides to pursue aggressive growth strategies such as merger or acquisitions, then it should pursue thorough analysis and assessment of the target company and its post merger or acquisition impact on the acquirer company.

6. The acquired company strengths should be employed to the advantage of the newly acquired company. Further, loyal customers of acquired company should be retained through the strategies that the acquired company used to employ.

7. A newly formed company should devise strategies and position itself according to its latest position after thorough analysis of its internal and external environment using proved multiple strategic models and market intelligence.

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Improving Marketing Knowledge among Israeli SMEs using Metaphor- and Storyline-Based Intervention

Josef Cohen

Correspondence:
Josef Cohen, Ed.D
Derby University (U.K)
Phone: +972 (0) 544-205-789
Email: *sticks33@gmail.com*

Abstract

The purpose of this mixed-methods research was to determine the effectiveness of an intervention for improving marketing knowledge among managers and employees of Israeli small and medium-sized business. This research paper reports the quantitative data. Small and medium enterprises (SMEs) contribute to economic growth and job creation, but have a high rate of failure compared with larger organizations. Marketing knowledge is a key component of SME success, but, to our knowledge, no marketing knowledge interventions have been validated for use in SME environments. The newly developed intervention programme by the researcher was designed to enhance Israeli SMEs' marketing knowledge and marketing strategy, imparting new marketing skills and allowing SMEs to operate with better marketing knowledge. This study tested the efficacy of an intervention designed to improve five dimensions of marketing knowledge among SMEs using metaphors and storyline approach through consultant-led training sessions. Results indicated a significant improvement ($p < .1$) in marketing need awareness, marketing attitudes, awareness of marketing processes, and marketing process beliefs, compared with pre-intervention scores. The intervention did not result in a significant change in organizational marketing skills.

Key words: Marketing knowledge, Marketing intervention, business failure, organizational learning, SME, SME marketing

Introduction

Small and medium enterprises (SMEs) have a high rate of failure compared with larger organizations (Buchanan and Evesson, 2004; Delmar and Shane, 2003, Honig and Karlsson, 2004; McCartan-Quinn and Carson, 2003). High SME failure rates are a problem for the entire economy. SMEs contribute to economic growth and job creation (Gilmore et al., 2001; Jones and Rowley, 2011; O'Dwyer et al., 2009), thus playing an important role in the stability of national economies (Marom and Lussier, 2014).

Globally, it is estimated that about half of SMEs fail, with 75% failing during the first five years (Buchanan & Evesson, 2004). Other estimates are even higher. Boyle and Desai (1991) claimed that 67% of new businesses fail during the first four years, and half of start-ups fail during the first 18 months. Other statistical data show that the survival rate of SMEs is country dependent; the survival rates of SMEs in Australia, Sweden, and the UK are over 80%; in Italy, Luxemburg, Finland, and Spain, approximately 70%; and in the United States, less than 50% (Honig & Karlsson, 2004; Shane & Delmar, 2004). The literature strongly suggests that intrinsic factors such as lack of marketing knowledge are the major causes of failure, affecting failure much more than extrinsic factors such as economy or business competition (Friedman, 2005; SBA, 2014).

In Israel, a survey conducted in 2013 found that 12% of businesses fail in their first year of operation (a larger survival rate compared with 2006 data), and 58% of businesses fail in their first seven years of operation (CBS, 2013). The failure risk assumption for all businesses in the country is 5.88 on a 1-10 scale. In comparison, the risk assumption for SMEs in their first year of existence is 6.8; this decreases to 6.5 in the third year and 6.35 in the fifth year. The reality in Israel is that businesses with a turnover of less than $2 million have a 50% likelihood of failing, which is higher than those with a larger turnover (BDI-coface, 2006). All this suggests that Israeli SME businesses are inherently vulnerable.

Professional advice, including third-party consulting and intervention, is one of the strongest predictors of SME survival (Lussier and Corman, 1995; Maron and Lussier, 2014).

(Lussier and Corman, 1995; Maron and Lussier, 2014). Therefore, it is crucial from an economic standpoint to identify the causes of SME failure and to develop interventions that can help decrease the number of SME failures. Tock and Baharub (2010) stressed the need for an intervention that effectively educates SME businesses to use marketing concepts, methods, and strategies that will enable them to compete in their field.

Mills (2009) found that using metaphors to teach students marketing was effective in improving marketing knowledge and helped overcome resistance to learning. Following Mills' finding, the aim of this study was to test the efficacy of a short-term, facilitator-led intervention using metaphors and storyline approach to improve marketing knowledge among SME owners and their employees. The intervention targeted five dimensions of marketing knowledge: marketing need awareness, marketing attitudes, awareness of marketing processes, marketing process beliefs, and organizational marketing skills. The purpose of the research was to answer the question: Does a metaphor- and storyline-based intervention program enhance Israeli SME businesses' marketing knowledge?

The remainder of the article proceeds as follows. First, we provide background information on SMEs in Israel and on SME business marketing, focusing on defining the five variables of this study. Next, we describe the intervention. The setting, sample, research instrument, and data collection and analysis procedures are described in the Methods section. The results are presented, followed by a discussion and conclusion.

Background and Literature Review

Although small, Israel has an advanced market economy (Israel Ministry of Finance, 2012; Marom and Lussier, 2014) with a reputation for successful SMEs and startups (Israel Ministry of Finance, 2012). There are approximately 500,000 SMEs in Israel, accounting for over 99% of all businesses. In the private sector, these SMEs employ 55% of the nation's workforce, contribute 45% of gross national product, and provide 15% of exports (Israel Ministry of Industry, Trade and Labor, 2010). According to the Israeli Central Bureau of Statistics (CBS; 2013), SMEs founded in 2012 created 84,400 new job openings in Israel (CBS, 2013). For comparison, in the United States, the largest economy in the world, 99.7% of businesses are SMEs; they employ 49.2% of the workforce in the private sector, provide 64% of new private-sector jobs, and contribute 33% of export value (Small Business Administration, 2012). These data establish the fact that SMEs make a significant contribution to the Israeli economy. Decreasing the rate of SME failure in Israel could lead to further economic gains.

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SME researchers disagree about the root causes of SME failure. One of the best studied models, the Lussier 15 model, proposes 15 variables that contribute to SME success, including planning, professional advisors, and marketing. Empirical research has provided support for this model among small businesses in Israel (Maron and Lussier, 2014), with planning and professional advice proving to be particularly strongly associated with success in that country. Although there have been conflicting results across settings and samples using this model, professional advice has routinely been an important success factor (Lussier and Corman, 1995). This suggests a need to standardize and structure business consultation interventions using the latest marketing knowledge and adjustments according to businesses' unique characteristics.

Marketing is a key area of interest for professional advice to SME owners. In Israel, 24% of surviving SMEs managers have attributed their successes to strategic marketing abilities (Friedman, 2005). The importance of marketing has been confirmed in international research literature, as well (Bates, 1990; Moutray, 2007; Shane and Delmar, 2004). Strategic marketing is a critical resource for SME survival, because it helps managers to compete with larger businesses (Van Scheers, 2011).

Lack of marketing knowledge contributes to business problems and aggravates the state of SME businesses already in crisis (Jovanov and Stojanovski, 2012; Moutray, 2007). In Israel, there exist government programs to support SME survival, but they deal mostly with the financial aspects of SMEs (e.g., tax benefits, loans, and direct financial support), rather than offering solutions for managerial problems such as lack of marketing knowledge (Bennett, 2008). This is increasingly troubling, as a growing body of research indicates that small firms find it difficult to conduct market research, measure the efficacy of promotions, and price items (Brouthers et al., 2015; Denis et al., 2015; Jovanov and Conevska, 2011). Therefore, there is a need for an intervention to improve marketing knowledge among SME owners and employees.

Dimensions of marketing knowledge

Marketing knowledge is a complicated construct that may have multiple dimensions. Additionally, marketing knowledge is related to concepts of marketing knowledge utilization (Menon and Varadarajan, 1992) and marketing knowledge management (Tsai and Shih, 2004), both of which may be integral to SME success. Because marketing knowledge is a prerequisite to the utilization and management of marketing knowledge, this study focuses on marketing knowledge itself. In the following paragraphs, we identify five dimensions of marketing knowledge based on a review of SME marketing literature.

In many cases, SME owners may not be aware of the need for marketing in generating market share and cash flow (Ropega, 2011). If SME owners exhibit a lack of marketing need awareness, they may be unlikely to contribute time and financial resources to marketing activities, potentially contributing to business failure. Therefore, marketing need awareness is one dimension of marketing knowledge, which could contribute to SME success.

Even if SME owners are aware of the need for marketing, they may hold mistaken marketing attitudes, owing to an inability to distinguish marketing and sales as separate business functions. In effect, many SMEs focus on sales and are not involved in marketing, but they may not be aware of this distinction (McCartan-Quinn and Carson, 2003). Marketing, unlike sales, has a long-term orientation and focuses on the development of intangible assets such as brand awareness. SME owner-managers may not engage consciously with intangible assets of their firms, finding tangible sales efforts easier and more accessible. However, sales efforts that focus on short-term gains may not be successful without a strategic marketing scheme, so mistaken marketing attitudes could contribute to SME failure.

The third dimension of marketing knowledge is awareness of marketing processes. SME owners who are aware of the need for marketing strategy as distinct from sales efforts may still lack a clear vision for organizational marketing goals. Relatedly, employees may not understand the organization's marketing strategy, making it difficult for employees to implement that strategy. This can be understood as a lack of awareness of marketing processes, which could lead to unsuccessful implementation of marketing strategy and, ultimately, SME failure.

Even when SME owners are aware of the need for marketing, can distinguish between marketing and sales, and have a clear strategic marketing vision that all employees understand, the organization's marketing efforts may be ineffective if the marketing strategy is based on incorrect marketing process beliefs (Jovanov and Stojanovski, 2012). For example, the marketing strategy may be based on the incorrect belief that marketing is only necessary when the business has an active need to attract new customers, or that customers' response to the business is essentially determined by the product, rather than by the way the product is marketed.

Finally, even the most robust and well-formed marketing strategy cannot have a positive effect on business unless the business has the organizational marketing skills to ensure that it is implemented. Organizational marketing skills are demonstrated by a commitment to allocating resources, such as funds, personnel, and knowledge, to strategic marketing activities (Jones and Rowley, 2011). Marketing knowledge utilization and management are closely related to organizational marketing skills (Menon and Varadarajan, 1992; Tsai and Shih, 2004). In SMEs, organizational roles and hierarchies may not be clearly defined (Cheng et al., 2016), leading to a failure to implement a marketing strategy caused by an unclear role definition and lack of organizational ability. Therefore, organizational marketing skill is a fifth dimension of marketing knowledge.

Organizational learning

Organizational learning makes it possible for SMEs to improve marketing knowledge on the individual and organizational levels. Organizational learning can be defined as a change in the state of the organization, stemming from new knowledge and meanings that are shared among an organization's members and may be explicit or implicit (Law and Chuah, 2015). Research has demonstrated a connection between organizational learning and organizational survival (Argote and Miron-Spektor, 2010). Organizational learning involves integration of new learning in the daily conduct of the organization, with the aim of improving employee performance, outcomes, self-efficacy, and openness to change (Bates and Khasawneh, 2005).

In the business environment, there may be significant obstacles to organizational learning, which should be taken into account in designing interventions and training programs. Legge et al. (2007) explored managers' study method preferences and found that managers tend to expect quick, practical training; techniques that involve lengthy lectures or sentimentality could alienate them from the learning process. The researchers also found that managers are frequently rigid and not open to new learning. The authors emphasized the importance of meeting expectations in training this type of audience to succeed in marketing education programs (Legge et al., 2007).

According to Kuster and Vila (2006), the three most widespread learning programs in the business and marketing world are practical exercises, analysis of cases, and lectures. They found that the latter two ways of teaching are ineffective, because they lack connection to the real business world. The authors emphasized the great advantage of using practical exercises because they are relevant to the reality of business practice. Jones et al. (2014) researched SME owners who participated in a leadership development program over a two-year period, drawing on data from 19 focus groups involving 51 participants in Wales. The LEAD Wales program and factors affecting it showed that entrepreneurs must engage in action in order to learn, and then they may transfer what they have learned to the organization. These findings informed the development of the intervention tested in this present study.

Intervention using metaphors and storyline

Based on the review of literature, the researcher developed an intervention tool aimed at improving marketing knowledge along the five dimensions identified above. The intervention utilizes the principles of organizational learning to provide the organization with adaptive tools that will allow it to better interact with and exploit opportunities in the business environment, thus enhancing survival probability. The intervention takes the everyday experience of the participants as a resource for discussion of marketing issues; then, the intervention changes the active knowledge of the participants by introducing new knowledge about the experiences discussed, resulting in change in their level of knowledge (see Argote and Miron-Spektor, 2010). In addition, participants are encouraged to try out their new knowledge when confronted with actual encounters with clients in their daily business activities, rand these experiences are later discussed in the group to foster more active content learning.

The intervention is a continuous professional development (CPD; see Fraser et al., 2007) tool delivered by a trained consultant who meets with employees at the SME for a series of four workshop sessions, each lasting two to three hours. In these sessions, participants engage in game-like experiences designed to teach marketing concepts and tools for everyday use in the office. In each workshop, the consultant guides participants through narratives that use metaphors of mediaeval times to bring marketing ideas to learners in a simplified and colorful manner, thus encouraging learners to engage and actively participate in the learning. The metaphor approach to marketing knowledge development has been validated by Mills (2009) and has been shown to be effective in reducing resistance to learning (Furst and Cable, 2008).

Following the recommendation of Legge et al. (2007), the intervention was designed to be as short as possible, in order to avoid losing participants' patience. The goal of the intervention is to alter SMEs' organizational culture (see Prajogo and McDermott, 2011) through organizational learning that enables participants to acquire experience and knowledge relevant to marketing (see Argote and Miron-Spektor, 2010). The intervention has been piloted in business settings by the researcher for the benefit of his clients, but has not yet been subjected to rigorous empirical testing to demonstrate its effectiveness and to evaluate its outcomes. Therefore, the goal of this study was to evaluate the intervention as a structured tool for improving marketing knowledge among SMEs in Israel. Because the intervention was designed to improve marketing knowledge as measured by five variables, we hypothesized that participants' scores in each of these five variables would increase following intervention. Specifically, we tested the following hypotheses:

H1: Participants' post-intervention marketing need awareness scores are significantly higher than their pre-intervention marketing need awareness scores.

H2: Participants' post-intervention marketing attitudes scores are significantly higher than their pre-intervention marketing attitudes scores.

H3: Participants' post-intervention awareness of marketing process scores are significantly higher than their pre-intervention awareness of marketing process skills scores.

H4: Participants post-intervention marketing process beliefs scores are significantly higher than their pre-intervention marketing process beliefs scores.

H5: Participants post-intervention organizational marketing skills scores are significantly higher than their pre-intervention organizational marketing skills scores.

Methods

Setting and sample

The setting for this study consisted of SMEs in Israel. We recruited businesses using a Google Ad-Words advertisement. Inclusion criteria were as follows: (a) the SME was active in Israel, (b) a minimum of four employees worked directly for the SME, (c) the SME had a minimum monthly turnover of 30,000 ILS, including tax, (d) the SME was a for-profit organization, and (e) the SME had been in operation for less than 10 years. Ten SMEs approached the researcher in a period of one month. Three did not qualify; two stated that they were too busy. Five qualified and were interested in participating in the study.

Not all employees from all organizations were included. Some were excluded, as follows. At ABC Printing, five employees were excluded because they did not have tenure and did machinery-related work only. At Telepele, one of the two investors was not involved in the daily operations of the business and was thus excluded. The same was true of two investors at Future Chair. Interneto had one technical employee who just supported the data with no involvement in the daily operations and worked from home; this employee was thus excluded.

Table 1: Characteristics of research participants

Field	No. of Employees	No. of participants	Pseudonym	SME Age	Notes
Print	10	5	ABC printing	4	Highly competitive market
Communication	7	6	Telepele	2	Expensive service for business
Food services	5	4	Food for Thought	2	Home based operation
Internet	4	3	Interneto	2	Highly competitive market
Hi-tech	6	4	Future Chair	1	Product development, dependent on investors

This yielded a final sample size of 22 participants. Collins et al. (2007) recommended a minimum sample size of 21 for most experimental designs and one-tailed hypotheses. Therefore, the final sample was adequate to address the research questions.

Research instrument

To collect data, we administered a closed-ended questionnaire to measure five dimensions of marketing knowledge: marketing need awareness, marketing attitudes, awareness of marketing processes, marketing process beliefs, and organizational marketing skills. The questionnaire consisted of 18 items measuring the five variables of interest. All items were scored on a five-point Likert scale. Because there were no existing quantitative research instruments capable of measuring all variables of interest, we developed the research instrument, drawing on concepts from existing literature.

We overcame the disadvantages of using a new research instrument by conducting a focus group to ensure face validity. The focus group consisted of academic and business colleagues acquainted with SMEs and marketing concepts. The purpose of this focus group was to determine whether the questionnaire items, in experts' opinion, adequately captured the variables of interest. Based on experts' commentary, we made minor changes to the wording of the research instrument. However, results of the focus group suggested that the questionnaire items were adequate to measure the five variables.

Data collection

Data collection began in 2009. The pre-intervention questionnaires were administered in person just before the start of the first session of the intervention. The format of the intervention sessions was predetermined by the structure of the intervention. Sessions took place once a week for up to 90 minutes. The number of sessions was also predefined, 4 sessions. Sessions included both owners and staff at the SME's business place; setting and schedule were flexible, based on participants' preferences. During the session, the owner and staff were asked to stop working and detach themselves from any interference, such as the telephone, clients, or other business issues.

Three months after the end of the 4 sessions, post-intervention questionnaires (consisting of the same research instrument) were administered, either face-to-face or via e-mail. This period gave time for the SMEs to assimilate the intervention's teachings, and contributed to the long-term validity of the findings. The communication with the SME at this point was informal, via face-to-face or digital means.

Data analysis

Before analyzing data, I tested for validity and performed factor analysis to determine whether the data conformed to the theoretical model and foundation of the questionnaire. I also tested for normality to check whether the answers were distributed normally, which enabled the use of parametric statistics in processing this data (Beyth-Marom, 1986). The procedures and results for these validity assessments are presented in the following paragraphs.

Factor analysis. I conducted factor analysis using participants' pre-intervention responses to the closed-ended questionnaire to negate the possibility of prior familiarity with the questionnaire affecting the response patterns. I conducted exploratory factor analysis (EFA) using the principal components method, Varimax rotation, and 25 iterations. First, the number of factors was unconstrained by limited Eigenvalues greater than 1. This resulted in a factor structure that was not consistent with the theoretical model. Therefore, I next performed a factor analysis constrained to five factors (corresponding to the five variables of interest), and this analysis yielded five distinct factors. These five factors explained 76% of the variance in the responses of the interviewees. This indicates that the response data corresponded to the theoretical design of the questionnaire, indicating good validity.

I calculated Cronbach's alpha values for each of the five factors. Cronbach's alpha is a reliability measure that reflects the extent to which all items in a questionnaire or scale, measure the same global content. Index values range from zero to one, with values above 0.7 indicating satisfactory reliability (Rubio, 2009). The reliability analysis indicated that the level of reliability of the factors, excluding the third factor, was higher than 0.7. With regard to the third factor, there was low reliability (alpha = 0.51). Question 16 was part of this factor but significantly reduced the reliability score; therefore, I chose to omit this question. After removing question 16, all five factors had good reliability. These reliability results are summarized in Table 2.

Normality. Parametric tests of significance, which were part of the data analysis for this study, assume that the distribution of the variables included in the analysis is normal. To test for normality, I computed the kurtosis statistic, which indicates normality as the kurtosis value approaches 0. The statistical value divided by its standard error should also be larger than 2 in absolute value. Table 3 shows the kurtosis values and their standard errors for the pre- and post-intervention results.

The findings presented in Table 3 show that all the factors were normally distributed, so parametric statistics could be used to analyze the results.

Hypothesis testing. Quantitative data analysis was performed using independent sample t test analyses. These tests allowed me to test all research hypotheses by determining whether the means of answers to the questions varied before and after the intervention. All quantitative data analysis was conducted in SPSS version 20 software.

Results

Sample Demographics

Twenty-two participants completed the questionnaire before and after the intervention. The mean age of the participants was 40.6 (SD = 14.3), and the median age was 39. Ages ranged between 15.5 and 71 years. The gender distribution showed

Table 2: Factor analysis results

Factor	Questions	% of variance explained by factor	Cronbach's alpha
Awareness of marketing processes	1,2,11,12,18,20	22%	0.86
Mistaken marketing attitudes	3,4,16,19	15%	0.72
Incorrect marketing process beliefs	6,7,8,14,17,21	14%	0.67
Organizational marketing skills	9,10,13	13%	0.71
Marketing need awareness	5,15	12%	0.68

Table 3: Normality test results

	Pre-intervention		Post-intervention	
Factor	Kurtosis	Std. Error of Kurtosis	Kurtosis	Std. Error of Kurtosis
Awareness of marketing process	0.29	0.95	0.81	0.97
Mistaken marketing attitudes	0.09	0.95	0.56	0.97
Incorrect attitudes to marketing processes	0.88	0.95	0.61	0.97
Organizational marketing skills	0.37	0.95	0.36	0.97
Awareness of need for marketing	0.10	0.95	0.71	0.97

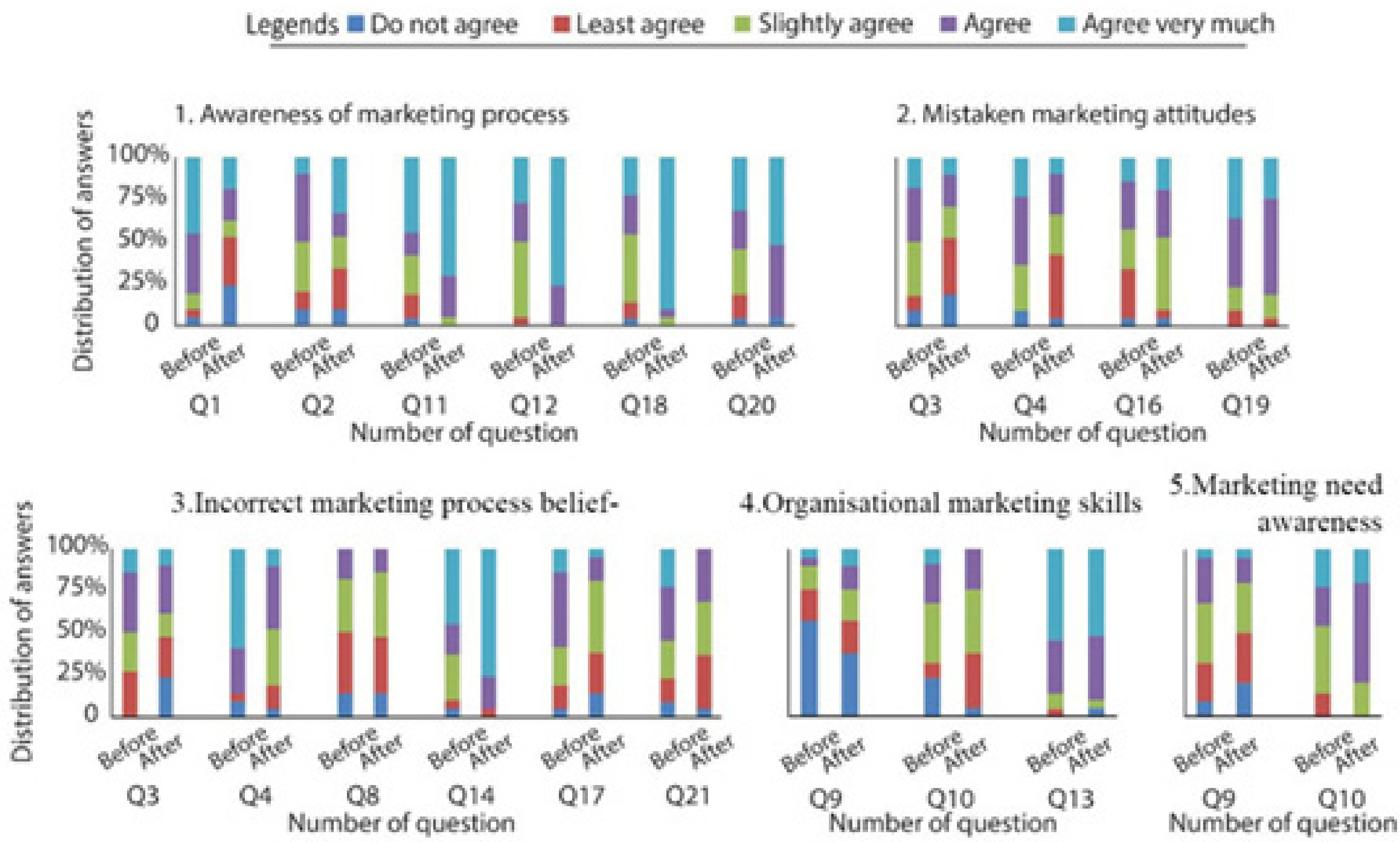
Table 4: Pre/post comparison of survey variable means

	Pre-KM		Post-KM		*t* test findings	
	Mean	SD*	Mean	SD	*t*	*p*
Awareness of marketing processes	3.60	0.86	4.13	0.46	-1.98	0.06**
Marketing attitudes	3.01	0.86	2.53	0.83	1.75	0.09**
Marketing process beliefs	2.98	0.59	2.59	0.50	2.13	0.05**
Organizational marketing skills	2.11	0.88	2.28	0.65	-0.48	0.63
Marketing need awareness	3.29	0.89	3.69	0.58	-2.05	0.05**

* SD=standard deviation

** Difference in means is significant at the $p < 0.1$ level

Figure 1: Distribution of answers by variable



that 50% were males and 45.5% were females. One participant did not answer the question about gender. The majority (63%) of participants had a college education; a minority (16%) had only elementary-level education.

Distribution of answers by variable is depicted in Figure 1. The marked effect of the intervention on answers can be seen visually, especially questions 11, 12, 18 and 20 (awareness of marketing processes), as well as questions 4 and 14 (incorrect marketing attitudes).

Hypothesis Testing

Table 4 (previous page) lists the values of the five variables included in the study, before and after participation in the programme, as well as the statistical significance of t tests conducted for difference.

The first hypothesis stated that the intervention programme would help increase awareness of the need for marketing. After the intervention, the mean need awareness score increased from 3.29 to 3.69 ($p = .05$), indicating a slight, but significant increase in awareness of the need for marketing. Therefore, Hypothesis 5 is **accepted**. As a result of participation in the programme, there was a significant increase in the level of awareness of the need for marketing among participants.

The second hypothesis stated that the intervention programme would help reduce mistaken marketing attitudes. After the intervention, the mean mistaken marketing score decreased from 3.01 to 2.53 ($p = .09$), indicating a moderate decrease in mistaken marketing attitudes. Therefore, Hypothesis 2 is **accepted**. As a result of participation in the programme, there was a significant decrease in the level of mistaken marketing attitudes.

The third hypothesis stated that the intervention programme would help increase awareness of marketing processes. After the intervention, the mean awareness score increased from 3.60 to 4.13 ($p = .06$), indicating a significant, increase in awareness of marketing processes. Therefore, Hypothesis 1 is **accepted**. As a result of participation in the programme, there was a significant rise in the level of awareness of the marketing process.

The fourth hypothesis stated that the intervention programme would help reduce incorrect beliefs about marketing processes. After the intervention, the mean score for this variable decreased from 2.98 to 2.59 ($p = .05$), indicating a slight, yet significant decrease in incorrect attitudes toward marketing processes.

Therefore, Hypothesis 3 is **accepted**. As a result of participation in the programme, there was a significant decrease in the level of incorrect attitudes toward marketing processes.

The fifth hypothesis stated that the intervention programme would help improve organisational marketing skills. Although there was a very slight increase in organisational marketing scores (from 2.11 to 2.28), the results of the t test indicated that this result was non-significant. Therefore, Hypothesis 4 is **rejected.** There was no change in the organisation's perceived marketing skills before and after the intervention.

Additional Observations

Before the intervention, although the employees had a high level of awareness about the marketing process, they displayed moderately incorrect attitudes about marketing and marketing procedures. Furthermore, their awareness of the need for marketing was mediocre, and the level of their organisational skills for creating a marketing process was low.

Interestingly, the standard deviations for all factors except marketing attitudes were lower after participation in the intervention. This finding could be interpreted as an indicator that gaps in knowledge about marketing issues and practices diminished after the intervention, thus causing the organizations to be more homogenous in marketing knowledge. These findings are discussed in further detail in the following section.

Discussion

The results demonstrated that, among this research sample, the intervention increased scores for four of the five dimensions of marketing knowledge: marketing need awareness, marketing attitudes, awareness of marketing processes, and marketing process beliefs. This finding is in accordance with existing literature related to continued professional development and organizational learning. Scholars have suggested that metaphoric language can be useful in teaching new concepts to adults (Bremer and Lee, 2007; Cornelissen, 2003; Durgee and Chen, 2006; Fillis and Rentschler, 2008; Mills, 2009). Additionally, organizational learning can take place in a group setting and that social learning can reduce mistaken marketing attitudes since members of the group can assist each other in learning (Fraser et al., 2007; Van Lange et al., 2011; Wenger, 2000).

The researcher did not observe a significant change in organizational marketing skills following the intervention. In some ways, this finding accord with existing literature suggesting that organizational culture is very difficult to change and that change usually takes place on a surface level, without penetrating to the level of values and assumptions (Schein, 1990). However, scholars have suggested that it is possible to change organizational behavior through training over time (Berson et al., 2008). Future research should focus on understanding barriers to organizational change and ways to overcome those barriers through intervention, perhaps using qualitative approaches.

The literature indicates that SMEs have unique characteristics distinguishing them from larger businesses. On the one hand, these characteristics contribute to their existence and growth (e.g., through their agility in business conduct), but, on the other hand, the same characteristics threaten SMEs' survival. The literature suggests that lack of marketing knowledge among SMEs causes a large number to fail prematurely (Buchanan and Evesson 2004; Boyle and Desai, 1991; BDI-Coface, 2006). The results of this study coincide with existing research, particularly with respect to the notion that, in SMEs, the line between sales and marketing is often blurred, leading to an overemphasis on sales and a detrimental de-emphasis of marketing (McCartan-Quinn and Carson, 2003).

Scholars (e.g., Barney, 1986; Xenikou and Simosi, 2006) have continually suggested that a lack of ability to use marketing tools in daily business can harm SMEs' ability to adapt to the business environment. However, research indicates that professional advice, including interventions in the form of continued professional development, can contribute to SME success over the long term (Maron and Lussier, 2014). Therefore, a validated marketing intervention is needed to improve SMEs' marketing knowledge and ability, thereby promoting their success and contributing to national economies.

This study was, to our knowledge, the first to test a standardized marketing intervention designed specifically for SMEs. There were several limitations that should be taken into consideration. First, as an exploratory study, it was based on a convenience sampling method. It is not unlikely, therefore, that the sample is biased in the sense that it included organizations that were actively seeking change. This sampling method reduces the generalizability of the findings. The small number of individual participants also limits generalizability. A further limitation of the research stems from the fact that the design of the intervention program and its evaluation were both carried out by the same researcher. Therefore, once again, there is the possibility of evaluating bias in the data and in reported findings, caused by the professional involvement of the researcher with the research topic. Relatedly, the small sample of participants working directly with the researcher during the intervention may have led to social desirability bias in participants' responses (Weisberg, 2005). Every effort was made to limit bias during the research process, but future research should attempt to replicate our results in other settings. Additionally, longer term follow-up is needed to verify that increases in marketing knowledge that result from the intervention in fact lead to improved business outcomes.

Conclusions

The current study provides preliminary evidence that the metaphor- and storyline-based intervention is an effective CPD program for SMEs. Tock and Baharub (2010) stressed the need for an intervention that effectively educates SME businesses to use marketing concepts, methods, and strategies that will enable them to compete in their field, Mills stressed that metaphors may be a useful tool for teaching marketing (Mills, 2009). The intervention and similar tools could be a solution to the reported paucity of practical marketing information for SMEs (Reijonen, 2010; Simpson et al., 2006; Walsh and Lipinski, 2009), because the intervention presents a way of making marketing methods accessible while accommodating the specific marketing needs of participant organisations.

Given these findings, metaphor- and storyline-based intervention appears to have strong utility and could be used beneficially in other SME settings or by practitioners. However, the study also revealed some areas which warrant further development of such interventions. In particular, it was not clear that the intervention led to lasting results in organizational culture in the form of organizational marketing skills. Therefore, there is room for improvement of the intervention tool in order to better enable the demonstrated improvements in marketing knowledge to translate into lasting, fundamental changes in the organizational culture.

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Importance of Consumer Trust in e-commerce

Abdulrazak Abyad

Correspondence:
A. Abyad, MD, MPH, MBA, DBA, AGSF , AFCHSE
Director, American University of Technology, Tripoli Branch
Chairman, Middle-East Academy for Medicine of Aging http://www.meama.com,
President, Middle East Association on Age & Alzheimer's http://www.me-jaa.com/meaaa.htm
Coordinator, Middle-East Primary Care Research Network http://www.mejfm.com/mepcrn.htm
Coordinator, Middle-East Network on Aging http://www.me-jaa.com/menar-index.htm
Lebanon
Email: *aabyad@cyberia.net.lb*

Abstract

The internet age offers prospective benefits for clients universally. Customers are no longer hostages to geography. There are bigger choices, cheaper prices, and completely new products are obtainable in many product categories, to consumers who may be actually far away from the world's centers of traditional commerce (Economist, 1997). For e-commerce it is generally granted that e-commerce can only become a wide success if the general public trusts the virtual environment (Tan & Thoen, 2001). The decreasing number of customers in e-commerce is due to lack of trust (Tan & Thoen 2001; Reigelsberger et al. 2003; Patton & Josang 2004;Pennanen 2005). Trust is more important than in traditional, "real world" transactions (Kim et al, 2007).

There are a few issues that affect trust of consumers in E-commerce and subsequently may affect E-commerce growth. These include security and behavioral issues.

Security Issues in E-Commerce

The weakness of the Internet upon which e-commerce is established, leads to security being the main taxing problem faced by consumers who wish to trade in the e-commerce world. (Suh and Han, 2003). When vulnerabilities are noticed by hackers, they will employ them to their advantage, and disaster may follow (Lee and Rahman, 2003). This will affect consumer's views about the security of any e-commerce website since their privacy has been disclosed. A very recent example was Sony Playstation where a hacker stole all credit card and other personal information. Fundamental requirements for the performance of e-commerce are security control for confidentiality, reliability, and protection of information Suh and Han (2003). In general a consumer is not able to censor the safety and security of sending sensitive personal and financial information. Therefore e-commerce should apply high-tech security mechanisms to guard itself from infringements to defend customers from being indirectly invaded

Technology and policy solutions are two lines of defense that can be resorted to (Laudon and Traver, 2007). There are many used technology solutions for securing communication media between consumer and Internet merchant such as Secure Socket Layers (SSL), Secure Electronic Transfer (SEL), Secure Hypertext Transfer Protocol (S-HTTP), Encryption Approach, Digital Certificate etc . These technologies perform in a different way, but lead to a mutual objective, that is, securing the communication channels from other parties. Some of the policies applied include feedback mechanisms, employing third party services that offer security seals and certificates, affirming a clear privacy policy, presenting company information etc which has been demonstrated to be effective in communicating trust through the online environment.

Consumer Behavior Issues

The characteristic of consumers affect e-commerce. Economic conditions and technological knowledge of online shoppers markedly influence their trust of an e-business (Mahmood et al, 2004). Several authors revealed the relationship between income and trust where trust is lower when consumer's salaries are low (Alesina and Ferrera, 2004; Zak and Knack, 2001).

The trading atmosphere shapes the way consumers act and behave. There is a difference between conventional business and online business activities . It is noted that Internet cyber transactions are blind, borderless, can occur 24 hours a day and 7 days a week, and are non-instantaneous. These will lead consumers to be worried that the seller won't adhere to their transactional obligations (Kim et al, 2007). Therefore, whereas trust in traditional transactions usually is focused on face-to-face personal relationships, trust in an Internet business is focused much more on transaction processes (Kim et al, 2005).

Traditional Vs e-commerce market. In the real world environment, consumers are able to touch the item physically and if they are happy, then they will purchase the item. In addition, an electronic transaction has several shortcomings, and risk. "Since transactions [on the Internet] occur without personal contact, consumers are generally concerned with legitimacy of the vendor and authenticity of products or services" (Chen and Dhillon, 2003, p. 1).

The consumer has to have faith that the seller has both the means and the impetus to deliver goods and services of the quality expected. This belief is usually more complicated for an Internet merchant to create than it is for a conventional merchant. In Internet commerce, merchants rely on an impersonal electronic storefront to act on their behalf. Furthermore the Internet reduces the capital needed to enter and exit the marketplace. Internet merchants may be considered as fly-by-night since there are less guarantees for consumers that the retailer will maintain their business for a while. The appearance of physical buildings and facilities has an effect on the consumer's behavior in traditional commerce (Doney & Cannon 1997). This situation is different for retailers on the Internet where consumer trust might be expected to be naturally low.

In traditional business, consumer trust is usually developed when the consumer has had prior communications with the merchant, relates with a well-informed salesperson with probably a comparable background to the consumer, is sheltered by strong social and legal structures, and anticipates to be shopping at the store for a long epoch (Geyskens et al., 1998). This is a contradistinction to e-commerce where consumers are spread around the world, and where these bases of trust are not easily obtainable for the merchant to exploit.

Trust and Web Design

It is critical to build trust in the website. This usually takes place in a three-stage collective development that institutes (1) trust in the Internet and the specific web site, (2) trust in the information displayed, and (3) trust in delivery fulfillment and service (Urban et al,2000). Urban et al recommended the utilization of virtual advisors in the form of personal shopping consultants. These advisors will interrelate with consumers to grasp their needs and could offer customers guidance.

Lynch et al, 2001 carried out a study of 299 consumers across 12 countries in North America, Western Europe, and Latin and South America. They found that the three vital issues that influenced customer's online purchases included quality, affect and trust.

Initial trust normally is generated by the distinctiveness of the website itself. In e-commerce the website is the only way a company communicates with the customers (Chen and Dhillon 2003p. 310-311).

What is trust?

Trust is a conviction or anticipation that the word or promise by the merchant can be relied upon and the seller will not take advantage of the consumer's weakness (Geyskens et al., 1996). E-commerce as a novel form of commercial activity, implicates more uncertainty and risk than traditional shopping (Lee and Turban, 2001). Therefore trust is more critical in e-commerce. That trust plays a vital role in the relationships between consumers and e-vendors (Fung and Lee, 1999) . Hoffman et al 1999, pinpoints that one of the crucial rationale for people's lack of readiness to provide information or shop online is "the fundamental lack of faith (or trust) between most businesses and consumers on the Web".

It is crucial that websites incorporate features that provide the confidence required for consumer's to know that their personal information is being protected. Che-Hussin et al (2003), have identified the ten top ranked trust attributes which can be included at the first page of an e-commerce website so as to convey the trustworthiness of the e-commerce website.

Table: Top ten trust attributes (Che-Hussin et al, 2003)

Trust Dimension Rank Trust Attributes
1. Company telephone number
2. Company e-mail address
3. Privacy Policy
4. Company address
5. Merchant-Trust
6. Third party for secure transaction (e.g. VerSign)
7. Third party for personal data protection (e.g. Truste)
8. Consumer feedback form
9. Recommendation of website by a third party (e.g. Shop-safe)
10. Specific staff name, Photo of staff

Doney and Cannon (1997) label trust as an order qualifier for buying decisions. Whereas Quelch and Klein (1996) conjecture that in the early stages of Internet development, trust is a critical factor in inspiring purchases over the Internet. Keen in 1997 stressed that trust is not only a short-term factor but the most important long-term barrier for fulfilling the capability of Internet marketing to consumers.

There are a number of factors contributing to online trust including quality, customer support, on-time delivery, convincing product presentations, convenient and reasonably priced shipping and handling, clear and trustworthy privacy policies (Reichheld and Schefter, 2000), company reputation (Quelch and Klein, 1996;), online transaction security (Palmer et al, 2000), or information privacy (Hoffman and Novak, 1996).

Considerations of Culture

A definition of culture is complex. According to Matsumoto (1994), "culture is characterized as the degree to which people share attributes, values, beliefs and behaviors". Hofstede defines culture as "the collective programming of the mind which distinguishes the members of one group from another" (1984, p. 21). Doney et al (1998) note culture is "a system of values and norms that are shared among a group of people and that when taken together constitute a design for living" (1998, p. 67).

A number of researchers (Dawar et al, 1996; 1999; Yamagishi and Yamagishi, 1994) refer to Hofstede's (1984) look at the connection between culture and trust. They noted that in an individualist society such as the U.S., Canada or Germany individuals are anticipated to regard personal interests over interests of the group and individual decision-making is appreciated.

There are questions about the vigor of trust effects across cultures. The forerunner of consumer trust is affected by culture; where consumers in different cultures might have differing views of what makes a web site trustworthy. Among different populations and races, the primary bases of trust may diverge. Hofstede (1980) found that one dimension of culture is individualism-collectivism and is one which has the strongest variation across cultures. It is noted that consumers coming from individualistic nations might have an elevated trusting stance in general and be more willing to base their trust in the merchant on characteristics that are inferred from an impersonal web site, than consumers from collectivistic nations.

The wishes, morals and goals of individuals in individualistic cultures, take preference over the group. In collectivistic cultures, the wishes, morals, and goals of the group take preference over those of the individual (Gudykunst, 1997).

In individualistic cultures people are self-reliant, competitive, trusting of others, and focused on utilitarian views of exchange and competence (Bhawuk & Brislin, 1992). Therefore, individualists are much more likely to trust others until they are given some reason not to trust. On the other hand, those high on collectivism are more likely to base their trust on relationships with first-hand knowledge (Triandis, 1989).

It is shown that culture also influences how an individual reacts to a possible risk of being exploited by others (Weber and Hsee, 1998; Yamagishi & Yamagishi, 1994). In addition to trust and risk perception, culture has been claimed to influence the relative strength of the sources of trust (Doney et al., 1998). So in collective culture there is a higher propensity to trust than in individualist cultures. It was shown that Chinese collectivists are least risk averse when selecting risky financial options than participants from the U.S., Germany or Poland.

Individualistic societies have normally less trust and cooperation in relationships that are temporary. Between cultures, the propensity to trust is reversed. Individualists are more optimistic than collectivists concerning benevolence from strangers (Yamagishi and Yamagishi, 1994).

Website Satisfaction and Culture

E-satisfaction is defined as the satisfaction of the customer in regard to his or her former purchasing experience with a given electronic firm (Anderson and Srivanan, 2003). Linking e-satisfaction to e-loyalty, Devaraj et al (2003) assert "repeated satisfaction with purchases eventually leads to customer loyalty" (p.185). Additionally, Szymanski and Hise (2000, p. 318) found "positive perceptions of site design are important to e-satisfaction assessments".

It is expected that online consumers will be more happy with websites that are localized to their distinct cultural inclinations. This will help in improving the site to offer a "technologically, linguistically and culturally neutral platform from which to launch global e-commerce initiatives while allowing a framework that incorporates local content and functionality" (Shannon, 2000). This will lead to the site matching the target users in diverse areas (Lagon, 2000). So it is critical to create culturally and consumer sensitive sites rather than creating a universal site (Simon 2001 p.32).

Website Design and Culture

Successful website design connects and draws online consumers. Design elements normally considered embrace architecture of the information, familiarity of metaphors, transparency of terminology, ease of access, and level to which the site is customer centric (Hoffman and Novak, 1996).

According to Gommans et al (2001, p. 51), "A website has to be designed for a targeted customer segment…Local adaptation should be based on a complete understanding of a customer group's culture". When cultural essentials are respected in website design, they will influence the way a user interacts with the site (Barber and Badre , 2001).

There are different user preferences on some of the design characteristics considered such as color or screen images across cultures (Del Galdo and Nielsen, 1996). It is anticipated that Web users will sense design elements of a local website as more culturally suitable and therefore are favored over design elements of a foreign website. There is little research in the area that links trust, satisfaction and e-loyalty and their relation to design preferences of differing national cultures.

In conclusion e-commerce will eventually grow further in the future. Both building trust and improving technological safety will play a major role in allowing E-commerce to reach its full potential.

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Web-based Corporate Reporting: An Exploratory Study on the Bangladeshi Companies

Ranjan Kumar Mitra *(1)*
Dewan Mahboob Hossain *(2)*
Mohammed Mehadi Masud Mazumder *(3)*

(1) Ranjan Kumar Mitra
Assistant Professor, Department of Accounting & Information Systems
University of Dhaka, Bangladesh

(2) Dewan Mahboob Hossain
Associate Professor, Department of Accounting & Information Systems
University of Dhaka, Bangladesh

(3) Mohammed Mehadi Masud Mazumder
Assistant Professor, Department of Accounting & Information Systems
University of Dhaka, Bangladesh

Correspondence:
Mohammed Mehadi Masud Mazumder
Cell#+88-01816-055454
Assistant Professor, Department of Accounting & Information Systems
University of Dhaka, Bangladesh
Email: *masudmehadi@du.ac.bd*

Abstract

Web based corporate reporting has received immense attention from academicians over the past few decades. However, there are very few studies that address such an interesting issue in the context of developing countries. In order to fill the vacuum, this study explores the current status of web based reporting practices of Bangladeshi listed companies. A content analysis was conducted on the web sites of 98 companies listed on Dhaka Stock Exchange (DSE). The results demonstrate that companies in Bangladesh, in general, report on issues such as company overview, products and services, investor relations, management and human resources, corporate social responsibility, corporate governance and financial aspects.

Key words: Web Reporting, Corporate Disclosures, Internet Based Reporting, Content Analysis, Bangladeshi Companies.

Introduction

Using Internet to communicate corporate information to the relevant stakeholders has become a common phenomenon these days. Over the years, because of the immense development in information technology Internet based reporting has gained popularity. According to Lymer (1999), the opportunities offered by the Internet have affected businesses dramatically. Stakeholders also create explicit and implicit pressures on businesses to go for web based reporting that is usable and can avoid time delay (Lymer, 1999). Also, corporate web sites are now considered as an important public relations tool (Capriotti and Moreno, 2007). For that reason, web sites are becoming an important medium of corporate reporting (Capriotti and Moreno, 2007). Moreover, as the Internet is interactive in nature, it cannot only disseminate information but can also help in generating a relationship between the stakeholders and the corporation (Capriotti and Moreno, 2007; Ryan, 2003; White and Raman, 1999). Moreover, web based communication can also help the organizations to create a corporate identity and enhance legitimacy of their activities (Coupland, 2006). Corporate web reporting, as a relatively new genre has received immense attention from academicians over the last decades (see Capriotti and Moreno, 2007; Lodhia, 2006; Coupland, 2006; Debreceny, Gray and Rahman, 2002; Isenmann and Lenz, 2002; Lymer, 1999). However, most of these studies are based on developed economies. The web reporting practices of the corporations of the developing or underdeveloped economies did not get much attention in the prior literature. This study is an attempt to fill this gap.

Bangladesh's economy is one of the rising economies in the world, with a growth rate of approximately 6%-7% over the last couple of years. The main objective of this article is to explore the web based corporate reporting practices of the companies in Bangladesh. In order to do that, a content analysis of the websites of 98 sample companies listed in the Dhaka Stock Exchange (DSE) was conducted. The study contributes to the scant literature on web based reporting from the context of the Bangladeshi corporate sector.

Theory and Literature Review

Developments in information and communications technology allow business firms around the world to use web based reporting to disseminate corporate information. The increasing tendency of the company to voluntarily disclose web based information could be explained by two major theories. The first one is 'Agency theory' which explains why a company may voluntarily disclose information through the internet. By disclosing information on the web along with traditional paper based reporting, the management of the firm would like to gain the trust of the wider ranges of stakeholders (especially shareholders and creditors) and reduce the agency costs (Jensen and Meckling, 1976).

Another theory which could explain the tendency of the web based information disclosures of listed companies is 'Signaling theory' introduced by Spence (1973). This theory suggests that companies go for extensive web based disclosure in order to distinguish themselves from other counterparts in terms of quality and performance (Nurunnabi & Hossain, 2012).

The 'Cost-benefit hypothesis' is also considered to explain the disclosing decisions of an organization. According to this hypothesis, managers prefer to voluntarily disclose information when disclosure benefits exceed its costs (Boubaker, Lakhal & Nekhili, 2011). Web based reporting is usually considered less costly and more flexible compared to traditional paper based reporting.

A number of studies were conducted on web based corporate reporting over the past few decades. Most of these studies were focused on the corporate social responsibility reporting practices of the companies. Moreover, most of the studies on corporate web reporting were based on content analysis.

Some of the earliest studies on web based reporting include those by Esrock and Leichty (1998), Williams and Pei (1999) and Lymer (1999). Esrock and Leichty (1998) examined how big corporations (Fortune 500 companies) are portraying themselves as responsible citizens by using web pages. They found that these companies disclosed on community activities, environmental issues and education. Another early study on web based corporate disclosure is that of Williams and Pei (1999). This study was based on social disclosures and here an international comparison was conducted. The sample consisted of 172 companies from four different countries: Australia, Singapore, Malaysia and Hong Kong. It was found that Australian and Singaporean companies disclose more on CSR issues in their web sites. Most of these web based disclosures are in narrative form. Also, companies mostly try to focus on information related to product and customers. Both of these studies were related to social and environmental reporting.

The study of Lymer (1999) is another of the earliest studies on web based reporting. The author introduced the idea of electronic corporate reporting from a European context. Other than a detailed literature review, the paper contained some other matters such as "issues that need to be considered by companies, accounting regulators and standard setters in determining how this form of reporting should develop in the future" (Lymer, 1999, p. 289).

Isenmann and Lenz's (2002) study was based on corporate web reporting on environmental matters. This study is mostly theoretical. The authors emphasized that technological development can create opportunities for environmental reporting. Ultimately this will help the companies to disseminate information in a better way. Moreover, it will help to improve internal and external communication. It will also help to identify the key stakeholder groups to whom the information needs to be communicated.

Patten and Crampton (2004) also focused on internet based environmental disclosure. The sample consisted of 62 US firms. The authors found that companies are reporting some additional non-redundant environmental information in the web pages and thus going beyond what is reported in the annual reports. However, according to the authors, most of this information is positive/neutral in nature. This represents the legitimacy seeking behaviour of the organizations.

Debreceny, Gray and Rahman (2002), by taking 660 big companies from 22 countries as a sample, identified the determinants of internet financial reporting. They found that firm size and disclosure environment have an effect on reporting.

Coupland (2006) conducted a discourse/textual analysis of the web-based financial and CSR reports of five banking groups operating in the UK. The author concluded that: "Although it is evident that organizations are beginning to articulate a stance with regard to CSR, as increasingly more attention is being paid to social and environmental issues, simple articulation is no longer sufficient." (Coupland, 2006, p. 865).

Lodhia's (2006) study focused on the perceptions on web based environmental communication of the environmental and communication managers of three Australian mining companies. This was an interview based study. The respondents concluded that World Wide Web is an efficient medium of communication on environmental issues. The technological benefits help in disseminating the information to a wide range of stakeholders.

The study of Capriotti and Moreno (2007) analyzed the information on corporate responsibility in the corporate websites.

The authors focused on the importance that this kind of information received in these web sites. The interactivity of this information was also analysed. The authors conducted content analysis of the web sites of 35 companies in the Spanish Stock exchange. It was found that all of these companies reported on their social responsibility related activities in their web sites. The companies reported on issues such as corporate profile, governance, products and services, human resources, social actions, environmental issues, public relations and ethics. According to the authors, the CSR issues received enough importance from these companies.

Using the sample of the top 100 most active-traded companies listed in the Egyptian Stock Exchange, Aly, Simon and Hussainey (2010) found that 56 per cent of firms report a significant portion of information on their web sites. They argued that such reporting can be used as an effective tool for improving stakeholders' decision?making process.

Uyar (2011) conducted a study on the Istanbul Stock Exchange (ISE) to investigate the utilization of the internet by the Turkish companies listed for corporate reporting. He found that Firms, which are listed in the ISE Corporate Governance Index (XCORP), disclose significantly more information on corporate web sites compared to the firms that are not listed in the XCORP.

From this discussion it can be understood that most of these studies focused on a particular aspect of corporate web based reporting, i.e., social and environmental reporting. Moreover, most of these papers are based on developed economies such as USA, UK, Australia, Spain, Hong Kong, Singapore and others. In the context of Bangladesh, Nurunnabi and Hossain (2012) conducted a study on 83 listed companies in Bangladesh to investigate the state of voluntary disclosure of internet reporting in Bangladesh. They found that only 33.34 percent (28) of companies provided web based information. However, their paper was narrowly focused on financial information. The present study, therefore, rather than focusing on any particular aspect of corporate web reporting, goes for a holistic approach. That means, it explores all the issues that are generally presented in the web based reporting. Moreover, rather than focusing on the practices of the corporate sector of developed economies, this study focuses on a developing economy - Bangladesh. Thus, this study contributes to the scant literature on web based corporate reporting of the developing countries.

Methodology of the Study

The objective of the study (i.e., exploring the current status of web based corporate reporting in Bangladesh) was fulfilled by conducting content analysis of the web sites of 98 sample companies listed in Dhaka Stock Exchange (DSE). The sample companies belong to different sectors (Figure 1). The data was collected from the respective official web sites of the companies from February 07, 2017 to April 27, 2017.

Findings

It was found that the companies have reported on the following issues in their web sites:

Company overview

The sample companies have reported on issues such as vision and mission statements (52%), background (89%), sister concern/subsidiary/parent company (47%), achievement/certificates (39%) and company profile (40%). The data is presented in Table 1.

Figure 1: Industry-wise Sample Firms Distribution

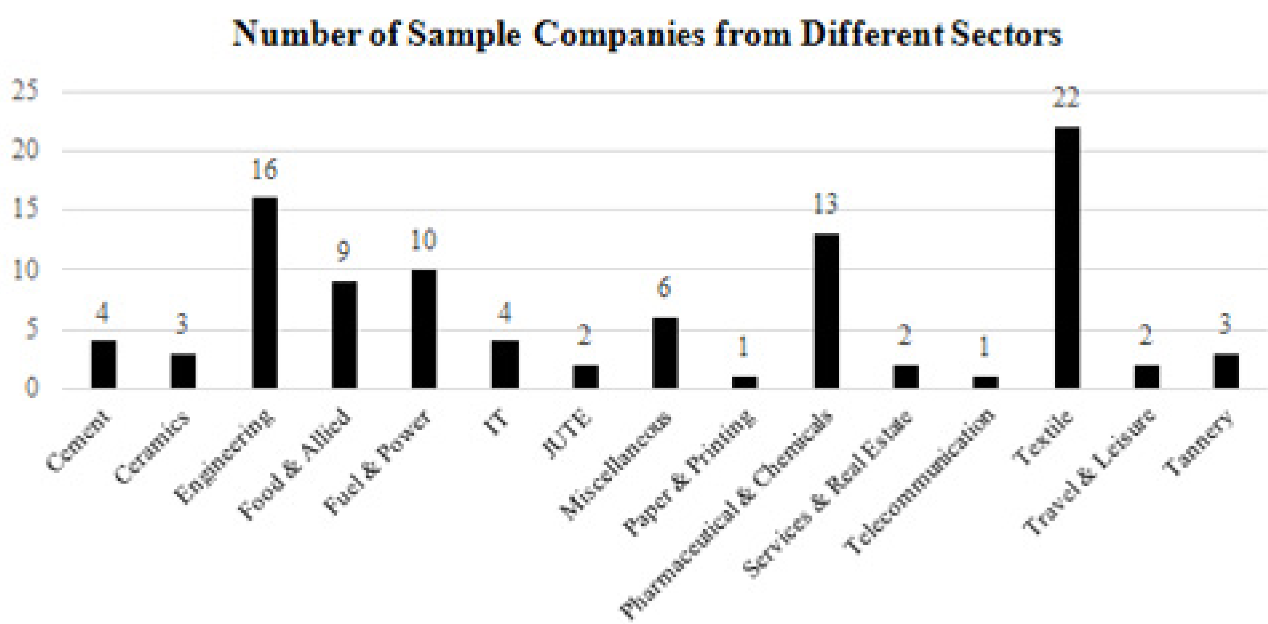

Table 1: Disclosure on Company Profile

Items	Number of companies (n=98)	Percentage
Vision And Mission Statement	51	52%
History/ Background	89	91%
Sister concern/ Subsidiary/ Parents	46	47%
Achievement/ Certificate	38	39%
Company Profile	39	40%

Company's Products and Services

In terms of products and services, the sample companies reported on issues such as the name of the product (84%), information on the ingredients (14%), the types of products the company is offering (78%), product quality (37%) and research and development (11%). The data is presented in Table 2.

Table 2: Disclosure on Company's Products and Services

Items	Number of companies (n=98)	Percentage
Name of Products	82	84%
Ingredients	14	14%
Types of Products	76	78%
Quality	36	37%
Research And Development	11	11%

Investor Relations

The companies have reported on their investor relations. On this issue they have disclosed on share related information (33%), news and announcement (68%), information on dividend payment (41%), media/gallery where they share information and photos of memorable events (44%) and price sensitive information (81%). The data is presented in Table 3.

Table 3: Disclosure on Investor Relations

Items	Number of companies (n=98)	Percentage
Share related information	32	33%
News & Announcements	67	68%
Dividend payment info	40	41%
Media/gallery	43	44%
Price Sensitive Information	79	81%

Career and Contact Information

The sample companies also highlighted their career and contact information in the web sites. The web sites contain information about the company (87%), the contact phone numbers (93%), contact person (20%), location/address (88%) and job opportunities (50%).

Table 4: Disclosure on Career and Contact Information

Items	Number of companies (n=98)	Percentage
About company	85	87%
Contact Phone & Others	91	93%
Contact Person	20	20%
Location/ Address	86	88%
Job Opportunities	50	51%

Corporate Social Responsibility

The companies mentioned some Corporate Social Responsibility issues in their web sites. These include: health and safety (31%), contribution to education (17%), contribution to employment generation and manpower development (17%), contribution to environmental protection (18%) and contribution to other social welfare (31%).

Table 5: Disclosure on Corporate Social Responsibility

Items	Number of companies (n=98)	Percentage
Health & Safety	30	31%
Contribution to Education	17	17%
Contribution to Employment/ Manpower	17	17%
Contribution to Environment Protection	18	18%
Contribution to other Social Welfare	30	31%

Corporate Governance

The sample companies disclosed information on their corporate governance initiatives. The main issues that are reported include corporate governance statement (17%), shareholding pattern (55%), director's report (50%), certificate of corporate governance (14%) and compliance status (49%).

Table 6: Disclosure on Corporate Governance

Items	Number of companies (n=98)	Percentage
Corporate governance statement	17	17%
Share Holding Pattern	54	55%
Director's Report	49	50%
Certificate of corporate governance	14	14%
Compliance status	48	49%

Information on Management

The sample companies disclosed some information on management. These include: names of the directors (82%), names of the managers (50%), details of the directors (53%), details of the managers (22%) and the organogram (6%).

Table 7: Information on Management

Items	Number of companies (n=98)	Percentage
Name of Board of Directors	80	82%
Name of Managers	49	50%
Details of Directors	52	53%
Details of Managers	22	22%
Organogram	6	6%

Financial Performance

In terms of financial performance, the sample companies presented their quarterly/half yearly financial statements (88%), annual reports (83%), annual reports for five years (48%), credit rating (7%) and ratio analysis (17%).

Table 8: Disclosure on Financial Performance

Items	Number of companies (n=98)	Percentage
Quarterly/ Half Yearly Financial Statements	86	88%
Annual Report	81	83%
Annual Reports for 5 years	47	48%
Credit Rating	07	7%
Ratio Analysis	17	17%

Conclusion

The main objective of this study was to explore the current state of web based corporate disclosure from the context of Bangladesh. It was seen that the companies in Bangladesh are disclosing several items of information in their web sites. These include information related to company overview, products and services, investor relations, career, corporate social responsibility, corporate governance and financial aspects. Identifying these areas of disclosure can be considered as the main contribution of this study. However, this study has several limitations. Firstly, the sample size was small as the main purpose of this study was exploration. Secondly, the sample did not consider companies of some important sectors such as banking and financial institutions.

Future researchers can conduct their studies by taking a larger sample and considering all the sectors in their study. Moreover, they can also examine the determinants of web based corporate disclosures.

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Toward Learning Organization Online University: Individual and organizational learning

Abdulrazak Abyad

Correspondence:
Director, American University of Technology, Tripoli Branch
Chairman, Middle-East Academy for Medicine of Aging http://www.meama.com,
President, Middle East Association on Age & Alzheimer's http://www.me-jaa.com/meaaa.htm
Coordinator, Middle-East Primary Care Research Network http://www.mejfm.com/mepcrn.htm
Coordinator, Middle-East Network on Aging http://www.me-jaa.com/menar-index.htm
Lebanon
Email: *aabyad@cyberia.net.lb*

Background

Knowledge is growing exponentially. In several areas the life of knowledge is now measured in months and years. Gonzalez (2004) pronounces the challenges of hastily diminishing knowledge life:

"One of the most persuasive factors is the shrinking half-life of knowledge". The "half-life of knowledge" is the time span from when knowledge is gained to when it becomes obsolete. To combat the shrinking half-life of knowledge, organizations have been forced to develop new methods of deploying instruction."

Organization and the individual are both learning organisms. The globally accessible information technologies (IT) have a tremendous capacity to renovate the educational process in the 21st century. MultiMedia Medical University (MMU) considers learning as a continual process, lasting for a lifetime. Learning and work related activities are no longer separate. Lately technology is changing (rewiring) our brains. Informal learning is a major feature of our learning experience. Formal education no longer encompasses the mainstream of our learning. Learning now occurs in a several ways - through communities of practice, personal networks, and through completion of work-related tasks.

Current Learning Environment

The Virtual Learning Environment (VLE) has directed to reshaping the physical boundaries of a classroom, allowing more and different types of teamwork, letting learning to be a continuous, time-and place-independent process exploiting electronic media and electronic resources. (Hamalainen et al., 1996; Scardamalia and Bereiter 1993). E-learning has become very fashionable in the last decade and now influences learners of all ages. Within MMU, students and teachers use an extensive variety of information and communication tools (ICT) to communicate, collaborate and share resources. These tools deliver anytime-anywhere learning opportunities. Currently, several tools can be easily used by authors to record and encode streams of audio and video and then integrate them in multimedia materials such as PowerPoint slides (Bodendorf, Schertler, & Cohen, 2005).

Organizational and individual learning

Organizational learning is about the way an organization learns and adapts. In Organizational development (OD), learning is a feature of an adaptive organization, i.e., an organization that is skilled to perceive changes in signals from its environment (both internal and external) and adjust appropriately.

Argyris (1977) describes organizational learning as the means of "detection and correction of errors." In his view organizations learn through individuals acting as vehicles for them: "The individuals' learning activities, in turn, are facilitated or inhibited by an ecological system of factors that may be called an organizational learning system". While Huber (1991) believes that four factors are related to organizational learning: knowledge acquisition, information distribution, information interpretation, and organizational memory. He states that learning does not all the time augment the learner's effectiveness. In addition, learning need not result in visible changes in behavior. Huber (1991) added that : *An entity learns if, through its processing of information, the range of its potential behaviors is changed.*

Senge (1990) describes the Learning Organization as the organization "in which you cannot not learn because learning is so insinuated into the fabric of life." Also, he defines Learning Organization as "a group of people continually enhancing their capacity to create what they want to create." The concept of Learning Organization is increasingly relevant given the increasing complexity and uncertainty of the organizational environment. As Senge (1990) remarks: "The rate at which organizations learn may become the only sustainable source of competitive advantage." The main element of the Learning Organization is in how organizations handle their managerial experiences. Learning Organizations/Managers learn from their experiences rather than being bound by their past experiences.

Individual learning is only a requirement for organizational learning. Change has become the norm rather than the exception. Continuous learning throughout one's career has become vital to stay viable in the workplace. A learning organization actively creates, captures, transfers, and mobilizes knowledge to enable it to adapt to a changing environment. Therefore, the main feature of organizational learning is the interaction that takes place among individuals.

Capturing individual learning is the initial step to making it practical to an organization. There are several means for capturing knowledge and experience, such as publications, activity reports, lessons learned, interviews, and presentations. Transferring knowledge necessitates that it be approachable to as needed. In a digital world, this involves browser-activated search engines to find what one is looking for. Knowledge needs to be presented in a way that users can recognize it, and it must suit the needs of the user to endure and be internalized.

A learning organization learns from mistakes or recognizes when old solutions no longer apply. It must adapt to a changing environment. Historically, the life-cycle of organizations typically spanned stable environments between major socioeconomic changes. The rate of global-scale change, necessitates more critical learning and adaptation which lead to an organization's relevance, success, and ultimate survival. Organizational learning is a process of communication among many individuals leading to well-informed decision making. Therefore, a culture that learns and adapts as part of everyday working practices is essential. Successful firms use sharing to empower the organization and avoid controlling to empower an individual. Evidently, changing from individual to organizational learning requires a non-linear transformation. When somebody learns something, it is accessible for their direct use. In distinction organizations need to invent, capture, transfer, and mobilize knowledge before it can be employed.

What is the Role of Information Systems in the Learning Organization?

As Gary Hamel put it: "*For the first time since the dawning of the industrial age, the only way to build a company that's fit for future is to build one that's fit for human beings*" (The Economist, 2009, p. 84). As such, there is no learning organization in the business world that can glorify itself to be best. One of the aims of MMU is to promote learning among individuals in order to improve their performance. Driscoll (2000) defines learning as "a persisting change in human performance or performance potential…[which] must come about as a result of the learner's experience and interaction with the world". Wiley and Edwards acknowledge the importance of self-organization as a learning process: "communities self-organize in a manner similar to social insects: thousands of humans pass each other on the sidewalk and change their behavior accordingly." Self-organization on a personal level is a micro-process of the larger self-organizing knowledge constructs created within corporate or institutional environments. The capacity to form connections between sources of information, and thereby create useful information patterns, is required to learn in our knowledge economy.

One of the strategies that MMU will be following in stimulating and encouraging the learning environment within the organization and among their students is building of a network of a learner community. Normally within the networks alterations have ripple effects on the whole. Landauer and Dumais (1997) explore the phenomenon that "people have much more knowledge than appears to be present in the information to which they have been exposed". They provide a connectivist focus in stating "the simple notion that some domains of knowledge contain vast numbers of weak interrelations that, if properly exploited, can greatly amplify learning by a process of inference". The value of pattern recognition and connecting our own "small worlds of knowledge" are apparent in the exponential impact provided to our personal learning. Our ability to learn what we need for tomorrow is more important than what we know today. When knowledge is needed, but not known, the ability to plug into sources to meet the requirements becomes a vital skill. As knowledge continues to grow and evolve, access to what is needed is more important than what the learner currently possesses.

Toward Learning Organizations

Empowering workers within MMU is a landmark step toward becoming an adaptable learning organization that can succeed in a world of swift change. Many organizations' leaders quote change as the most common problem they face. Today's business world is distinguished by globalization, extreme competition, immediate communications, and surprise. Small events can lead to consequences that are hard or impossible to envisage. Today's best organizations leaders know that the organization has to keep pace with what is happening in the external environment.

Organizations react to external changes in several methods. Several organizations are embracing new organizational forms that comprise less hierarchy and more self -directed teams or dynamic network structures that can bring together the best combination of people and resources to remain competitive. Currently, the trend is away from vertical structures that generate distance between managers and workers towards horizontal structures focused on core work processes. A similar move is granting employees more responsibility and authority for decision making, and a stronger interest in corporate values and culture. A large number of companies are converting themselves into learning organizations, which stress equality, strong culture values, and a smooth adaptable structure designed to seize opportunities, handle crises, and stay competitive in a unpredictable environment.

In online universities the presence of a transformational leadership is important to move the university through major change. Transformational leaders are characterized by the ability to bring about change, innovation, and entrepreneurship. Transformational leaders motivate followers to not just follow them personally but to believe in the vision of corporate transformation, to recognize the need for revitalization, to sign on for the new vision, and to help institutionalize a new organizational process.

The important steps that MMU use to foster learning and growth includes:

1. Create a compelling vision, by spreading the vision throughout the organizations, to focus the organization's learning efforts so that they increase the firm's competitive advantage.

2. Mobilize commitment. For the transformation to succeed there must be a shared commitment to the new vision and mission. Leaders build a coalition to guide the transformation process and work to develop a sense of team work among the group.

3. Empower employees. Giving employees the power and knowledge to act on the vision is critical. This means getting rid of obstacles such as strict, unnecessary rules and regulations, rigid hierarchies, and policies and procedures that limit and constrain employees. People are empowered with knowledge, resources, and discretion to make things happen.

4. Institutionalize a culture of change. This is the follow through stage that makes changes stick, old and outmoded values, traditions, and mind sets are permanently replaced by values of risk taking, adaptation, learning, and knowledge sharing. A culture of change recognizes that competitive advantage is a shifting concept and that the organizations must constantly be moving forward.
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E-Learning and E-commerce as an Organizational Learning System

The pedagogy of e-learning in the workplace has changed over time and is currently emerging as most effective when focused on the idea of self-directed individuals engaging in organizational learning. McElroy (2003) explains this process, "…individual learning is an important element of mutual, collective, or organizational learning (OL). But it takes more than individual learning for OL to succeed. It takes independent individual learning." This pedagogical issue of self-directed individual learning blending into organizational learning comes from the premise that adult learning is a socially - based, self-organizing, organic lifelong process, rather than an event, and, therefore, requires the integration of individual and group outcomes in terms of content acquisition, soft skill development and behavior changes (Grabove, 1997; Daley, 2000 & Piper, 2004).

When an organic dynamic of work and learning occurs for the adult, this adds greatly to the organization's performance capacity. Ziegler (2002) states, "The most effective performance environments are those with an integrated view of work, worker and workplace." Kirschner (2004) describes this change in approach to learning that business has taken by merging individual and corporate learning and urges higher education to pay attention to this pedagogical development, Higher education suffers from its stress on the individual acquisition of knowledge and skills in an academic setting, while society and industry cry out for learning outcomes that can often be achieved in authentic collaborative contexts (Kirshner 2004).

The evolution of e-learning is occurring now at the same time that the pedagogy of organizational learning is developing as well. Thankfully, no point of conflict appears in these concurrent developments. Sorine, Walls, and Trinkleback (ibid) describe the evolution of e-learning, "The Internet revolution not only has changed the way the world views electronic commerce, or e - commerce, but also e-learning at all levels."

Effect of technology on education

Many different types of technology can be used to support and enhance learning. It is critical to understand the recipe for success, which involves the learner, the teacher, the content, and the environment in which technology is used. In MMU E-commerce and technology is used for two purposes:

1. Educational Goals and a Vision of Learning Through Technology

Rather than using technology for technology's sake, the planning team in MMU wants to ensures that particular educational objectives are achieved more efficiently, in more depth, or with more flexibility through technology. In addition the team will develops a vision of how technology can improve teaching and learning. Essential to this vision is an emphasis on meaningful, engaged learning with technology, in which students are actively involved in the learning process.

2. Professional Development

After the educational goals and vision of learning through technology have been determined, it is important to provide professional development to instructors and professors to help them choose the most appropriate technologies and instructional strategies to meet these goals. The university encourages embedded opportunities for professional learning and collaborating with colleagues (Kanaya & Light, 2005).

We believe that individual instructors, professors , like institutions as a whole, create a learning climate through formal and informal interaction with students. This climate is about how instructors and students feel about things, which naturally has positive or negative effects on students' learning.

Conclusion

Modern life is characterized by unprecedented rapid change. At the level of the individual it is clear that knowledge and skills have ever-diminishing half-lives. The knowledge and skills needed in the future may not even be known at the time a person attends school or university. Therefore universities and educational institutions cannot limit themselves to the transmission of set content, techniques, and values, since these will soon be inadequate useless or even damaging to living a full life. These educational institutions must also promote flexibility, openness for the new, the ability to adapt or to see new ways of doing things, and courage in the face of the unexpected. The psychological definition of creativity emphasizes adaptability, so that fostering creativity can be seen as part of the preparation of students to engage in the process of life-long flexibility and adaptation rather than clinging to the already obsolescent. Finally, creativity helps people cope with the challenges of life and the resulting personal stresses and strains and is thus closely connected with mental health (Cropley, 1990). These considerations mean that the fostering of creativity in the classroom is part of educational efforts aimed at the development of individuals capable of maximizing their own self-fulfillment (Cropley, 2001).

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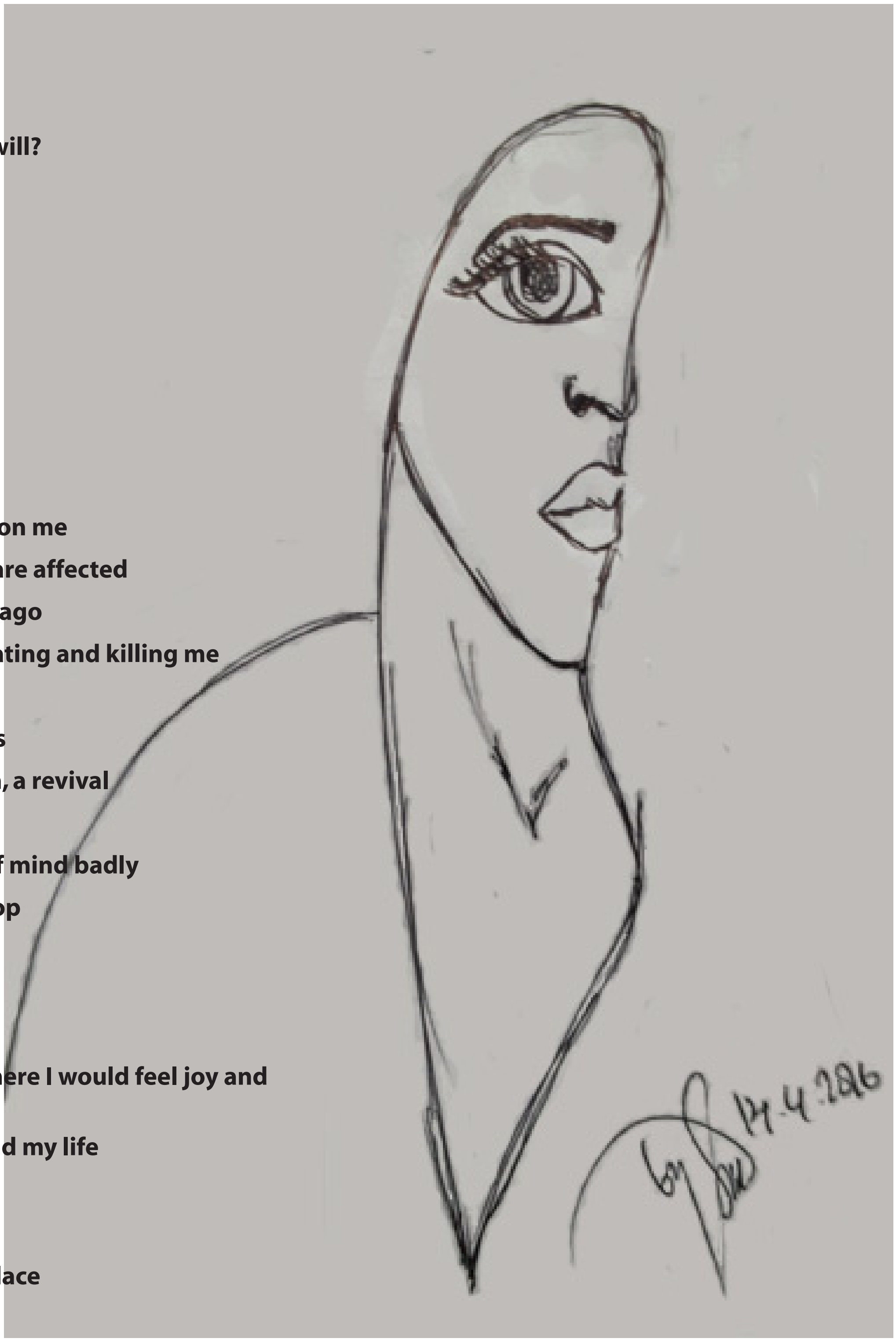
Where am I?

Ebtisam Elghblawi

Correspondence:
Ebtisam Elghblawi
Tripoli, Libya
Email: *ebtisamya@yahoo.com*

Dr Ebstisam, our poet and artist, is living under siege in Tripoli, Libya.



I went away asking myself
Blaming myself
Where is myself
Where is my soul, my spirit, my will?
What happened to all of them?
I memorized my past
My choices
My mistakes
My sorrow
My sadness
My regrets
My life went fast
I start seeing the effects of that on me
My features have changed and are affected
I feel my life stopped sometime ago
Everything around me is suffocating and killing me
What a wasted life
A broken heart into many pieces
My morality needs resuscitation, a revival
Any rescuer for the remaining
Missing tranquility and peace of mind badly
Wars on the horizon and non stop
Everything stays as a drawing
I still draw
I still keep drawing
Only lost are those moments where I would feel joy and happiness
And I still look at my features and my life
All just lost with the walk of life
And life keeps pacing widely
Hiding the unexpected in this place
Cloudy horizon