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Bloch

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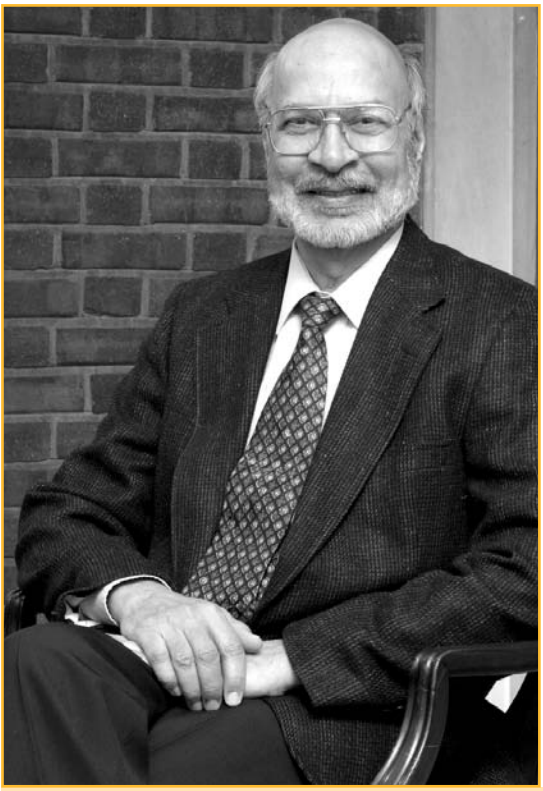
faculty focus

Healthy Eating Can Prevent Cancer, So Why Don't People Eat Healthfully?

Message Sidedness and Credibility in Marketing Preventive Health Care

Preventive health care embraces subjects related to prolonging life in quality as well as years, reducing the likelihood and/or severity of chronic or debilitating ailments, including cancer. But marketing preventative health care is a challenging area; changing established behavioral patterns is a long-term process. This is in sharp contrast to the customary transaction-oriented marketing purchases.

The long-term costs of disregarding proper health care are enormous. An understanding of the problem and design of appropriate communication programs is essential to alter the behavior patterns. Dr. Raj Arora's new study in *Services Marketing Quarterly* uses an experimental approach to test the influence of "message sidedness" and credibility on an individual's attitude and intention to follow the guidelines for healthy eating and preventing cancer.



"A one-sided message strategy provides supporting arguments for the advocated position; it simply ignores opposing views," Arora explains. "The two-sided message strategy presents supporting and opposing arguments."

Arora's inquiry focuses on the effect that message sidedness has on resulting attitudes and intentions. Message sidedness and its implications have a direct effect on advertising copy and layout.

Message credibility is another variable. Various factors are known to influence credibility judgments such as education, expertise and experience. Arora explains, "It is quite common to describe high-credibility sources based on education. For example, a high-credibility spokesperson may be described as a 'professor of nuclear research' and a low credibility spokesperson may be described as a 'college sophomore.'" Another way to reflect credibility is through the citation of evidence (for example, "studies show that ..."). The use of endorsements from experts to enhance credibility is also very common in marketing strategy.

Arora concludes that message credibility and message sidedness are critical variables in influencing attitudes and intentions regarding nutritional advice and long-term healthy behaviors.

Dr. Raj Arora
IS THE SCHUTTE PROFESSOR OF MARKETING.

Raj Arora, "Effectiveness of Message Sidedness and Credibility on Healthy Eating to Prevent Cancer." Forthcoming in Vol. 27, *Services Marketing Quarterly*.

Reverse Logistics: Many Happy Returns

Reverse Logistics (RL) is a process by which a manufacturing entity systematically retrieves previously shipped products or parts from the point-of-consumption for possible recycling, remanufacturing or disposal. Product disposal may no longer be the consumer's responsibility as products need be recycled or remanufactured by the original manufacturer.

In the year 2000, RL was a $7.7 billion industry. Companies that utilize RL practices represent the commercial aircraft, computer, automotive, chemical, appliance, apparel and medical industries, as well as many catalog-based companies. Familiar names such as 3M, BMW, Chrysler, DuPont, Ford, General Motors (Delphi), Hewlett-Packard, IBM, Mercedes-Benz, Xerox, Volkswagen, Storage Tek and TRW (Thierry et al. 1995) are practitioners already. According to one estimate, RL costs in the United States are about $35 billion per year. Over the next few years, analysts predict that the average cost per product return will be $30-$35.

"RL will become a major business opportunity in the twenty-first century," Dowlatshahi predicts. "RL activities encompass retailers, manufacturers and service entities. RL could open new markets for many industries that were not envisioned previously."

In his recent research, Dowlatshahi developed a testable RL theory that could be used by academicians and practitioners. The purpose of his study was to identify strategic factors that are necessary and critical for effective RL systems. In evaluating whether to embark on RL, Dowlatshahi finds that a firm must focus on its strategic factors and distinctive competencies. He explains, "The RL decisions must fit with the strategic values and business strategy of a firm in order for it to be a viable endeavor."

Further, Dowlatshahi offers these conclusions about RL as guidelines for companies considering its practice:

- RL should be used as a business strategy to create a distinctive competency in a very competitive market. Customers drive the strategic decision-making process in RL.
- The RL decisions should focus on a combination of economic, environmental and regulatory requirements; and the availability of resources and technologies.
- The effectiveness of a RL system is based on its ability to use existing manufacturing resources, processes, technologies and knowledge for remanufacturing purposes.
- An integrated approach (as opposed to a piecemeal approach) to the design and implementation of RL is necessary.
- The implementation of RL requires a cross-functional team with representation from relevant stakeholders.

"Because of the enormous cost reductions to be realized, a considered, strategic approach to embracing RL is imperative for corporations," Dowlatshahi concludes.

Shad Dowlatshahi
is Professor of Operations Management.

Shad Dowlatshahi, "A Strategic Framework for the Design and Implementation of Reverse Logistics Systems." Forthcoming in the *International Journal of Production Research*.

The Effective Nonprofit —
On Whose Terms?

Nonprofit leaders feel great pressure to demonstrate that their organizations perform well in an increasingly challenging operating environment. The demand to show "effectiveness" is widespread. But what is effectiveness? Is everyone talking about the same thing? The reality is that most people, lacking the simple criterion of bottom-line profit or loss, struggle with the notion of nonprofit effectiveness and how to apply it.

Drs. David Renz and Robert Herman have spent more than a decade engaged in research and writing to help nonprofit leaders address this challenge. Their recent articles and papers have linked their research with others in the field to help explain this elusive concept.

Organizational effectiveness is judged differently by different stakeholders and at different times. And, stakeholders frequently are not clear about what constitutes effectiveness for an organization.

"Effectiveness is not simply about great programs, effectiveness is socially constructed. There is no single objective reality 'out there' waiting to be assessed," explains Renz. "To a substantial degree, effectiveness is defined by key stakeholders. And over time, stakeholders often change their criteria."

Nonprofit organizational effectiveness is a matter of comparison and has multiple dimensions. The comparison may be to earlier times, to similar organizations, or to some ideal, but it's always a comparison. And, most stakeholders are not clear about their basis for comparison. Further, since multidimensional effectiveness cannot be assessed by a single indicator, assessments that focus on a single criterion (e.g., a program outcome) are inadequate.

The search for "best practices" should be viewed with skepticism. This concept has become something of a holy grail, yet Renz and Herman find no basis to claim that any particular practices are automatically best or even good. "At best, there are 'promising practices' that warrant consideration in the context of the individual organization," Renz notes. "Practices must align well with the organization, its culture and its needs to be 'best.'"

In their research, Renz and Herman have found that responsiveness is a key element of nonprofit effectiveness and, since the basis for assessing effectiveness is not stable, it is essential for leaders to stay in regular communication with major stakeholders. "Maintain an ongoing dialogue to continuously learn, inform and shape expectations, and help stakeholders understand the implications of their ideals. When key stakeholders' expectations are unrealistic or off-base, leaders need to make the case for them to refine their expectations." Renz concludes, "Effectiveness grows from an informed dialogue among the organization's leaders, clients and other key stakeholders."

David Renz
IS DIRECTOR OF THE MIDWEST CENTER FOR NONPROFIT LEADERSHIP (WWW.MCNL.ORG) AND THE BETH K. SMITH/MISSOURI CHAIR IN NONPROFIT LEADERSHIP.

Renz, David and Robert Herman, "Doing Things Right and Effectiveness in Local Nonprofit Organizations: A Panel Study." *Public Administration Review*. 64:6. November-December, 2004. p. 694-704.

Auditors' Ethical Dilemmas:

Examining the Relationship Between Cultural Factors and Decision Making

In the US and around the world, corporate fraud seems to have become rampant. As the global focus of business increases, the need to understand how cultural values impact accountants' professional conduct increases as well.

A study by Nancy Weatherholt and co-authors Cynthia Jeffrey and William Dilla extended previous research to investigate whether auditors as members of a profession would be less likely to violate standards when an action would violate professional standards as well as legal requirements. Their study also considered whether a culture's relative emphasis on individualism versus collectivism is an important dimension for understanding ethical conduct. Members of collectivist societies tend to emphasize people more than task, have strong family attachments and feel deep family obligations.

"The accounting profession is its own community, or 'in-group,'" Weatherholt explains, "but its role in a collectivist society may be subordinate to other in-groups."

To better understand the impact of cultural values in a collectivist culture, Weatherholt and her co-authors examined the effects of in-group membership in a case involving both violations of professional auditing standards and insider trading rules. Taiwan is a collectivist society; thus, the authors predicted that loyalty to family would most strongly influence judgments about whether to reveal confidential information to an investor. But the opposite result was found: Taiwan auditors demonstrated a stronger propensity to violate professional standards when the dilemma involved loyalty to a friend, as opposed to a relative.

"It is possible that a different result might have occurred if the family member had been a closer relation, such as a parent or sibling," Weatherholt considers. "Clearly, if we are able to predict the moral values that affect business decision-making, a greater understanding of what causes corporate fraud may be found."

Nancy Weatherholt

IS ASSOCIATE PROFESSOR OF ACCOUNTING.

Nancy Weatherholt, Cynthia Jeffrey, William Dilla, "The Impact of Ethical Development and Cultural Constructs on Auditor Judgments: a Study of Auditors in Taiwan." *Business Ethics Quarterly*, Vol. 14, No. 3, July 2004, pp. 553-579.

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