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How the Diversity in the workforce adds Moral Values among the Employees in an Organisation?

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Abstract

Workforce diversity has been identified as one of the strategic capabilities that enrich an organisation; it supplements the organisation by adding moral values to it as well as in the employees. Age, gender (male, female and transgender), religion and culture are the most important factors that affect an organisation. The diversification of an organisation depends upon the heterogeneity of its employees. The value system of a person depends upon its cultural, religious and geographic background, so the employees in an organisation with a diverse workforce will share a pool a customs and values which will ultimately add moral values to the organisation. This study is conducted to extract and crystallize” how these various diversities add ethical and moral values to the organisation? “. Five companies from service sector have been studied. The primary data has been used in the research and the method of research is qualitative. A self-administered questionnaire was used and personal interviews have been conducted to gather information.

The result of the study shows that the diversity in the workforce in terms of age, gender, religion and culture puts positive impact on the working culture of the organisation. Moreover, it adds moral values among the employees, sense of respect to one another and respecting others ethnicity. In addition to this employees become more loyal and promising towards the organisation, more team work and creating conducive approach towards the new and diverse employees. However, the discrimination among the employees on the basis of age, gender and culture would discourage the employees and could cause increase in employee turnover, dissatisfaction and formation of unions and strikes. Rather employees should be motivated and encouraged to create conducive working environment for every employee. Another outcome of the research depicts that workforce diversity adds moral values to an organisation. Companies dealing into services are more passionate at diversifying the workforce which leads to a better customer services and relationships.

Keywords: Workforce Diversity, Heterogeneity, Demographic, Discrimination.

Effects of accounts record keeping on the growth of small scale business

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ABSTRACT

The study was about the effect of accounting record keeping and growth of small scale business in Kampala basing on the following objectives; to find out whether small business in Kampala keep accounting records, to find out growth level of small scale business in Kampala and to establish the relationship between accounting record keeping and growth of small scale business units in Kampala.

The study design comprised of a combination of both descriptive and cross sectional research designs and both qualitative and quantitative data were employed. Stratified sampling was used to determine the sample size. A sample size of 150 computed by a formula for krejcie and Morgan sampling table was considered primary data was collected by the use of questionnaires which focused on the research questions. Secondary data was got from journal reports and internet which are in relation to the study objectives. Data entered into excel was presented by the use of frequency tables. Data analyzed by statistical packages for social scientists (SPSS) was presented which showed the strength of relationship between accounting record keeping and growth of small scale business units in Kampala.

Findings were; majority of the entrepreneurs who kept accounts records have increased in their stock levels and have access to credit facilities which boosted their growth, the most common item for keeping records of these businesses was by receipt books and computerized inventories for cash sales. Majority of the entrepreneurs that kept records were those that have high capital investment, majority of business people do not take stock claiming that they own the business and are managing their sales .Other factors that affect businesses are Increasing competition ,Location of businesses, high costs of businesses and poor planning.

It was concluded that there is a positive relationship of ($r=0.035$) between record keeping and growth of small scale businesses which implies that the more efforts that are channeled towards record keeping the better growth of small scale businesses .

Recommendation on the accounting record keeping in small scale business units, operators of small scale business units need to ensure that complete and accurate business records are kept to enhance the growth of the business and improve productivity.

THE NEW “LEGALIZED RECREATIONAL-USE CANNABIS” MARKET IN CANADA- AN ACTIONABLE SEGMENTATION STRATEGY FOR HIGHER ROI

Title: The New “Legalized Recreational-Use Cannabis” Market in Canada- An Actionable Segmentation Strategy for Higher ROI

Short Title: Actionable Segmentation for Legalized Canadian Recreational-Use Cannabis Market

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Abstract

With recreational cannabis legalization in Canada in 2018, marketers are actively seeking indicators for the development of recreational use cannabis products and associated positioning to develop a relationship with this new market in which relationships can have a much higher ROI due to extensive usage of cannabis. But developing offerings and positioning without segmentation is like creating a business strategy without sales. The paper seeks to develop a ‘Specific Profile’ of post-legalization likely Recreational Cannabis User in Canada on measurable “purpose” basis thus creating an "Actionable Segmentation" based on a survey of 2120 Canadians across provinces. Recreational Cannabis User in Canada, thus profiled, will enable strategy formulators to take informed segment related decisions about marketing imperatives that focus on creating relationships with high ROI. This paper offers practical recommendations for marketers, retailers, growers, and Canada’s PolicyMakers.

THE NEW “LEGALIZED RECREATIONAL-USE CANNABIS” MARKET IN CANADA- AN ACTIONABLE SEGMENTATION STRATEGY FOR HIGHER ROI

Federal Government of Canada legalized recreational cannabis in 2018 after which it started a movement towards a tightly regulated private retail model for cannabis by opening 4 provinces immediately to private sector retailers with plans of opening others by April 2019. (<https://www.ontario.ca/page/cannabis-legalization>). In 2019, the total sales from cannabis market in Canada (including medical, illegal, and legal recreational products) are expected to be up to \$7.17 billion. Statistics Canada estimates that 5.4 million people are expected to want to buy legal cannabis in the fourth quarter of 2018 and 1.7 million people will continue to buy illegal cannabis (<https://www150.statcan.gc.ca/n1/daily-quotidien/181017/dq181017c-eng.htm> accessed 14 nov ‘18)

Cannabis, also known as grass, pot or marijuana, has spurred abundant controversy over the past century. With an annual consumption by an estimated 160 million people (4% of the world's population), cannabis is estimated to be the world's third most popular recreational drug after alcohol and tobacco. With cannabis recreational legalization spreading throughout the country, priority of recreational marketers is to shift the perception of the market and public about cannabis users from "stoner" stereotypes to a mix of white-collar executives and older generation.

1.1 Importance of Segmentation Basis to ROI and Customer Relationships

Marketers are actively seeking indicators for the development of recreational use products and associated positioning to develop a relationship with this new market in which relationship can have a much longer life cycle leading to higher ROI due to the popularity of the product. Keeping in mind statements by Rigby et al (2002) that trying to implement customer relationship marketing without segmentation is like "trying to build a house without engineering measures or an architecture plan:" and Davidow and Uttal (1989) that by segmenting markets a company can match supply and demand better, it makes business sense to keep segmentation of recreational users in Canada as a marketing priority before deciding product offerings or positioning. Wilson and McDonald (2002) further substantiate this by saying that most customer relationship projects fail because of poor segmentation.

Given the importance of profitable customer relationship management (Ryals, 2005), customer management to both marketing (Payne, & Frow, (2005) and a firms' overall marketing strategy (Peppers & Dorf, 1999), it becomes an imperative to target a customer segment most likely to be satisfied with the offering. To identify such target market, many firms start with the differences based on demography or on other psychographic factors but, as opined by Forsyth et al (1999) firms find that consumer demographics or psychographics alone do not give a complete picture of consumer behavior as all baby boomers do not have the same preferences, all young women between the ages of 18 and 24 do not display same patterns of behavior, and geo demographic classifications do not justify the reason why people in one street drive different cars, read different newspapers, eat different food and so on.

Similarly, due to an assumption of profits being dependent on customers inherent in the Profitability Segmentation Model, it is flawed as profits are a function of processes and offerings that a firm uses to fulfill customer needs and usage preferences that lead to customer satisfaction. "The customer does not know which chair he wants unless he sees it" (Freytag & Nielsen, 1990). Yankelovich's 2006 paper reported the widespread failure of segmentation initiatives. If markets have to consist of 100% of products bought, usage patterns, and reasons of buying then a market has to be defined in terms of customer preferences. There is a plethora of need based market segmentation strategies and models but "needs" are defined more in terms of hidden motivations rather than something tangible and measurable.

1. OBJECTIVE

Segmentation strategies enabling marketers to define segments in a specific measurable manner that is meaningful to ROI are rare. This paper attempts to fill this void in the literature by profiling post-legalization likely Recreational Cannabis User in Canada on tangible "purpose" basis thus creating an "actionable segmentation". It becomes easier to act on this basis as measurable segments can be more easily translated into profitability and ROI, strategic and tactical marketing

imperatives, specific channel delivery systems and stronger relationships.. This weeds out the guesswork involved in translating “psychographic” segments and profiles.

“Purpose” in this paper,

- a. is considered different from the reason in the sense that purpose is the “tangible end goal” (what is the product for?) whereas reason is a “psychological guess”(why do you want it?) usually based on traditional segmentation variables of age, income, stage in the family life cycle and social class. Harrison (1994) concludes that “these variables have provided little insight into the customer behavior” thereby validating that reason is a guess-basis of segmentation. The differences in perceptions are due to the different purposes for which every customer uses the product- thus seeking a “fit” through purpose satisfying product attributes.
- b. is considered different from the traditional definition of “needs and want or benefits” as these focus on the hidden motivations of the customer or economic/lifestyle symbolisms

1.1 Structure

The structure of the paper is organized to start with a discussion on the role of segmentation in enhancing customer focus and relationships with a goal of enabling customization with validations from the previous research on segmentation. Next section discusses the research methodology detailing the survey modality, sample size, and statistical tools used for interpretation and analysis. An analysis of results and findings follow describing the importance of factors to current and likely users of legalized recreational cannabis and developing a correlation between variables to provide a meaningful segmentation. Next, the paper develops a Specific Profiling of the likely cannabis users post-legalization in Canada. The specificity of profiling is focused on making the segment “actionable”, measurable, and customization friendly. The paper ends with implications of findings to marketers, corporate strategy formulators, and Policy makers of Canada.3.

2. SEGMENTATION

2.1 A Sales Program in Disguise

Many industries find market segmentation a useful (Davidow, 1989; Greenberg & McDonald, 1989). Wendell Smith (1956) proposed market segmentation as an alternative to product differentiation but it was Wind’s (1978) whose review of the condition of market segmentation made it a top priority of researchers and practitioners. He suggested that market segmentation should be the core of strategic decision-making through data analysis techniques and new basis of segmentation.

Describing market segmentation as a business sales program focused on most-likely-to-buy-customers group, Salami and Adewoye (2006) opined that if this focus was done properly, it will maximize returns for a given marketing expenditure. An analysis of successful firms in B2C and B2B markets as measured by reduction in customer acquisition cost, increase in customer response, and less chances of product failure validates the role of effective ROI enhancing segmentation strategy. Segmentation is a tool with power to enable a value based ranking of customers for better ROI based investment decisions with inherent potential to drive business growth

2.2 Customer ‘Purpose’ Based Segmentation

The need to challenge our mental models of segmentation becomes an imperative with the changing business environment, implications of operating in a global information age, the rise of

empowered consumers and digital networks (Wind et al., 2004). Kalu (2008) opined that a basic assumption of market segmentation concept is that the market for any product or service can be divided into meaningful segments, each with its own discrete needs, wants or preference highlighting customer preferences as a major factor.

The preferences as predetermined by a customer are based on the purpose for which he is buying a product and it is this purpose that decides his level of post-consumption satisfaction as fulfillment of a purpose is the most observable and measurable indicator. Customer satisfaction “is a function of the experiential outcome in the context of the customer’s expectations across product/brand touch-points (Lockwood, 2009, p. 223).” In fact, it is this basis of purpose where the *perception* of “product fulfilling its promise” and *actual* fulfillment are one and the same thing- perception becomes measurable objectively. For example, cannabis users typically buy dope to “experience something” that is totally measurable as it is a “state/feel of their mind”. (stress reliever, pain relief, psychedelic experience, etc). (<https://www150.statcan.gc.ca/n1/daily-quotidien/180718/dq180718b-eng.htm>)

In other words, the differences in perceptions are due to the different purposes for which every customer uses the product- thus seeking a “fit” through purpose satisfying product attributes. One of the main ways of serving customer is through customized communication of goal satisfying attributes of product offering- a communication based on an understanding of the “customer’s buying purpose” . A purpose based segmentation is aimed at a more efficient use of marketing resources by customizing messages, offers, and customer relationship management initiatives to customers who will be most responsive in the chosen segments as they see/feel an achievement of their tangible end goal. This becomes possible as the “fit” based on tangible “purpose” and the offering can be more easily demonstrated. Though, as explained earlier in the paper, purpose here is considered different from needs/wants but a statement by Mitchell & Wilson (1998) validates a parallel- “a focus on customer needs might well reduce the complexity of the segmentation process by providing the criteria for classification for product applications and for prioritization of customer differences”

3. METHODOLOGY

3.1 Quantitative Empirical Research

The research study was empirical in nature with a questionnaires sent via email across all provinces of Canada. To ensure validated efficacy of research survey methodology, the basis of sample chosen to send these questionnaires was kept same as used by Government of Canada to survey tobacco and/or drug use monitoring and addiction with exclusion of territories, people without internet access, residents of institutions, homeless, and/or those unable to understand English or French. (<https://www150.statcan.gc.ca/n1/pub/82-003-x/2018002/article/54908/tbl/tbl01-eng.htm>). This method used, as with Govt of Canada, convenience and purposive sampling that is also validated by Dörnyei (2007). Self-administered, electronic survey format was selected for its efficiency as well as ease of contact and data-gathering (Lietz, 2010). The first level of population consisted of friends, relatives and other personal contacts of the author who were informed about the survey purpose, clauses of confidentiality, and who agreed to forward it to their network of 18 years of age and above residents

A multiple choice questionnaire was designed based on validated research (Wang, 2008; Song & Son, 2015). The questionnaire was divided into two sections- in the first section, questionnaire

consisted of personal details of the selected customers as a voluntary option with inherent confidentiality clause. The second section consisted of questions related to various factors this paper sought to measure to segment the recreational cannabis market in Canada.

3.2 Sample Size and Statistical Tools

As size of the sample is one of the important determinants in measuring validity of the research, as first stage, 3768 emails (not including the bounced mails) were sent to Canadian residents detailing the nature of the survey, their right to refusal statement and seeking consent and permission to e-mail questionnaire. No incentive was provided for participation in the study. 2746 consent emails came back. In second stage of survey, questionnaires were e-mailed to these consenting respondents who were given 10 days timeline to revert with completed questionnaire. On receipt by researcher, 2120 were found to be usable and were used to calculate results and findings. Descriptive and inferential statistics were used to analyze the data. Average means scores of each factor were calculated. Pearson's coefficient of correlation was used to draw statistical inferences among various factors in order to get a more specific indication of segmentation.

4. RESULTS AND FINDINGS

The study revealed far-reaching insights on customers' purpose of usage and other factors of significant interest to a marketer in the new recreational cannabis use market in Canada. An interesting finding was that the recreational users' viewed themselves as different from habitual users because they sought drug for a specific "beneficial" purpose as opposed to "addictive, psychedelic or other harmful" reasons. In addition, they considered the risks to be manageable.

4.1 Buying Frequency: Pre- & Post-Legalization

Table 1: Difference in Buying Frequency Pre- & Post Legalization (Current & Likely Buyers)

Frequent users	+23.49%
Less frequent users	+183%

The above table includes a substantial number of *Post-legalization likely users in the less frequent users* leading to a positive 183% increase in buying frequency. This new segment of likely users is non-habitual though have consumed cannabis sometimes in their life and have full control over how much and when they consume. These use cannabis products infrequently (averaging to once in 1.27 months)

4.2 Factors Impacting Buying Decision Post-Legalization

Table 2: Factors Impacting Buying Decision Post-Legalization

Factor	Importance	Difference Between Current & Likely Users
Reasonable price	High	Less important to likely than current users (-12%)

Reputation of Grower	High	More important to likely than current users(+29%)
Better Quality of Products	High	More important to likely than current users (+32%)
Type of cannabis product	Medium	Less important to likely than current users(-16%)
Tried by me before	Low	Less important to likely than current users (-8%)
Familiar brand	Low	No significant difference
Preferred Potency Available	Low	Less important to likely than current users(-23%)
Anti-Pesticide tested	Low	No significant difference
Others	Low	No significant difference

Reasonable price, grower reputation, and better quality of products were the top three most important factors impacting buying decision of both current and likely buyers of recreational cannabis out of which reputation of the grower showed significant increase in the importance to likely buyers. Familiarity of brand and tried product as factors were not preferred by significant percentage of respondents to be considered as important factors. Reasonable price ranged between \$8-15 with the new likely users post legalization showing price insensitivity.

4.3 Purpose of Recreational Cannabis Usage

Table 3: Purpose of Recreational Cannabis Use By Importance

Purpose of Recreational Cannabis Use	%age of Buyers
Social Bonding with Friends	75
As Stress Reliever	74
Alcohol Replacement/Complement	69
As Mood Lifter	43
Sexual Performance Enhancer	21
For Sensory Uplift	18
Others	8

Relieving stress, supporting partying and fun with friends, and replacing alcohol were the top three purposes of buying recreational cannabis amongst both current and likely users pre-and post-legalization in Canada. The result clearly indicates an emphasis on tangible and measurable outcomes of cannabis consumption as opposed to subjective perceptual “needs” of “psychedelic experiences”.

4.4 Factors Impacting Format of Purchase- Physical Store vs E-Store

Given the fact that likely users segment is more educated than current users (with minimum under-graduate degree), it was no surprise that clarity of details about pricing was a top factor to the likely users. It was of importance to current users also though the main reason was that current users were price elastic whereas likely users wanted transparency. This was found to be of no. 1 importance in both formats of sale. Grower details were a factor of high importance to likely users as compared to current users and payment options were high in importance to current users who wanted a variety of payment options.

Table 4: Importance of Factors in Physical vs Online Store

Factor	Difference between Current & Likely Users	Importance of Factor	Format(Physical Store vs E-Store)
4.1 Clearly marked prices for all products	More important to likely than current users (+29%)	High	Both
4.2 Grower details	More important to likely than current users (+46%)	High	Both
4.3 Privacy protection and cyber security	No significant difference	High	Both
4.4 Sales Rep’s Knowledge of Product	No significant difference	Low	Both
4.5 Polite Behavior of Sales Reps	No significant difference	High	E-Store
4.6 Payment options	Less important to likely than current users(-32%)	Low	Both
4.7 Free Shipping	No significant difference	High	E-Store
4.8 Ease of searching/finding products	No significant difference	High	Physical Store

4.9 Variety of Products	No significant difference	High	Both
4.10 Timing of Store	No significant difference	Low	Physical Store

Reputation of grower came out as a significant factor especially to likely users who will buy post-legalization recreational cannabis. Analysis revealed a strong co-relation between the reputation of grower and level of price (although likely users showed price inelasticity) and quality of products. In fact, as indicated by the table, the 2nd most important purpose of usage, recreational cannabis as a stress reliever, had a significant correlation with the reputation of grower thereby indicating that users, in particular the likely users, connect the grower's image directly with whether the product will fulfill the purpose for which they are buying it.

4.5 Relationship Between Variables

Table 5: Pearson Coefficient of Correlation Between Variables

Variables	Reasonable Price	Reputation of Grower	Better Quality of Products	Social Bonding with Friends	As Stress Reliever	Alcohol Replacement/Complement	Clearly marked prices for all products	Sales Rep's Knowledge of Product	Grower details
Reasonable Price	1	0.76	0.4						
Reputation of Grower		1	0.71						
Better Quality of Products			1						
Social Bonding with Friends	0.34	0.57	0.62	1	0.32	0.82			
As Stress Reliever	0.46	0.81	0.71		1	0.79			
Alcohol Replacement/Complement	0.79	0.72	0.62			1			

Clearly marked prices for all products	0.89	0.68	0.61	0.42	0.51	0.69	1	0.62	0.75
Sales Rep's Knowledge of Product	0.58	0.68	0.67	0.38	0.37	0.73		1	0.78
Grower details	0.81	0.95	0.83	0.61	0.86	0.79			1

Further, grower details displayed a significantly high correlation with quality of product indicating that users considered the product to be of a high quality if it had constituents from a reputed grower of cannabis. These findings about growers have important implications for Policy makers as the growers in Canada are licensed by the Federal Government.

As an indicator of preferences in buying channels, there was no major difference in choices of physical vs online format of sale. Sales representatives'/customer service representatives' knowledge about the recreational cannabis product had significantly high correlation when the purpose of buying was as an alcohol replacement/supplement. This indicates that buyers consider recreational cannabis in the same category as alcohol and will prefer someone to tell them about the quality and constitution details of this new product just like they want the same details when they buy alcohol.

5. ACTIONABLE SEGMENTATION- PROFILING CANADA' POST-LEGALIZATION PURPOSIVE RECREATIONAL CANNABIS USERS

"Actionable Segmentation" is an outcome of Canada's Post-Legalization Recreational Cannabis Users showing a new segment emerged due to the legalization. The survey results allowed a 'Specific Profiling' of these users to ensure that this segment becomes more measurable and concretized to enable the Strategy makers and marketers to focus their ROI plans by integrating customized processes and offerings. Customization, the core of customer relationship marketing, is the basis of greater value creation through differentiation leading to loyalty, profitability and long term return on their investment. Kaur (2016) stated that superior value creation is a result of two important processes of CRM- proactive customer business development and partnering relationships with lifetime value customers.

Cost reduction is made possible through this actionable segmentation as the new segment is clearly defined in tangible terms doing away with any requirement of irrelevant mass focused marketing tactics. Revenue generation becomes easier as the new segment is based on price, usage patterns, channel variable preferences, and most important purposes of using recreational cannabis. This actionable new emerging segment is spread across all provinces in Canada. Given the Per Capita Consumption of Cannabis in provinces and the per capita dollar value, this segment, that's price inelastic, has potential of generating a high ROI for marketing companies and retailers.

Table 6: Consumption of Cannabis Per Capita

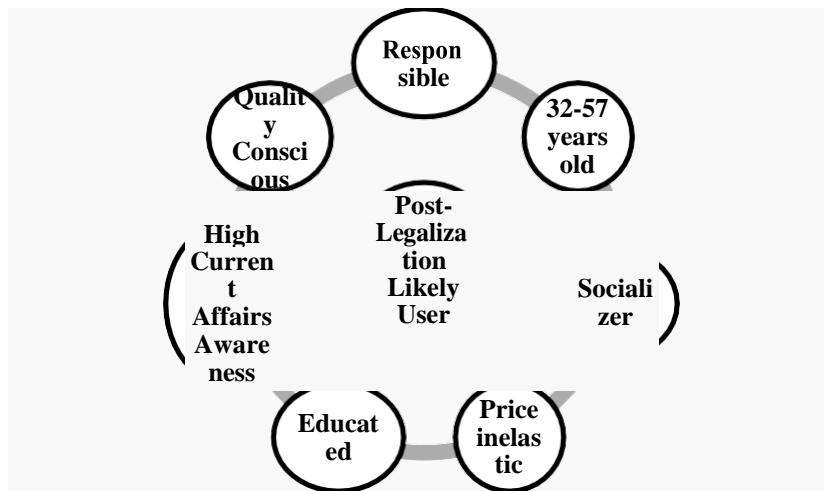
	grams
Newfoundland and Labrador	18.52
Prince Edward Island	18.95
Nova Scotia	27.06
New Brunswick	20.46
Quebec	18.49
Ontario	21.00
Manitoba	18.31
Saskatchewan	16.37
Alberta	24.08
British Columbia	24.60
Yukon	17.70
Northwest Territories	15.30
Nunavut	13.62

Source(s): Statistics Canada, National Gross Domestic Product by Income and by Expenditure Accounts (IEA) survey no. 1901. (<https://www150.statcan.gc.ca/n1/daily-quotidien/180430/cg-b001-eng.htm>)

6.1 A Specific Profiling

Pre-legalization cannabis users were younger who experimented with all “pleasures of life” due to peer-group directions and “trend”. The study reveals a new segment of likely users- aged between 36-57- majority of whom (82%) have used drugs sometimes in their life. Legalization has made this segment ready to try drugs again though these will be “infrequent users”- with frequency of usage ranging from once in 1.27 months. This segment is a mix of males and females in almost equal number both with minimum college undergraduate degree. With family responsibilities, these will buy mainly to relieve stress and are aware of products available in the USA market. Overall control over drug habit is high with complete awareness of side effects beyond a particular potency/amount.

Fig 1: A Snapshot of Canada’ Post-Legalization Likely Recreational Cannabis Users



This is clearly different from current users who are younger (16-30), experimenters, majority lacking higher education, peer-group run, and are price sensitive. This new likely recreational segment further shows preference for eating rather than smoking cannabis. As they are socializers, they are more dependent on word-of-mouth as main source of information about drugs. Being aware of current affairs, they regularly follow Newspapers and know about changes in Government policies and other economy related events.

This clearly indicates an importance of marketing strategy centered on public relations, social networking, and positive word-of-mouth. As this segment is an aware segment that is educated, ‘blind’ and ‘in-the-air’ marketing tactics with non-validated content may harm the reputation of the company and/or the retailer. Corporate strategy makers would have to be more in sync with changes in the economy as a whole and keep eyes open for an opportunity developed due to these changes to tailor their marketing plan around so that it reaches the new segment in a more educated manner.

6. IMPLICATIONS

The results of the study have significant implications for (1) Marketing Heads, (2) Retailers, (3) Strategy formulators, and (4) Policy makers.

As of late August 2018, other than Ontario, New Brunswick, Quebec, Nova Scotia and Prince Edward Island, private sector retail locations are allowed in British Columbia, Manitoba, Newfoundland and Labrador and Saskatchewan. Ontario plans to allow private sector retail stores after April 1, 2019. This opens four provinces to private sector immediately. Marketers and retailers can use the detailed primary research substantiated actionable specific segment profiled in this paper enabling them to frame fully customized customer relationship focused marketing plan, prioritize marketing tactics, and execute a focused marketing strategy that generates higher ROI. This also opens opportunities for vertical integration for reputed growers via opening fully owned retail stores or in partnership with reputed retailers.

This new segment, being price insensitive, can be a major source of returns and high stakeholder value thus making it very relevant for Strategy Formulators. In 2017, the gross value added of the cannabis industry was \$2.8 billion. British Columbia's economy contributed \$1.1 billion or 39% of the Canadian total. With private retail market opening up in British Columbia, for example, and with the rates of both mixed use (5.4%) and cannabis use exclusively for non-medical purposes (11.8%) highest in British Columbia, it comes out as a top grosser of legalized recreational use cannabis. (data from <https://www150.statcan.gc.ca/n1/daily-quotidien/180718/dq180718b-eng.htm>)

Policy makers can benefit from this indicative actionable new segment by understanding the profile and framing suitable policies for protection of users who are ready to consume post-legalization. Policies stating clear guidelines for online retailers are indicated in the legalized scenario as buyers rate privacy and cyber security as their top priority while buying online. New technology imperatives, like tighter data protection policies, are the need of the time so old policies may require a relook. In addition, the new likely market, being highly aware about current affairs and educated, may be more vocal about their rights- thus more consumer oriented legal changes may be required.

Grower related policies and licenses may require a modification given the high importance of grower's reputation on buying decision, especially by post-legalization likely market of aware consumers. Reputed growers may become more powerful and vocal thereby necessitating a change in laws and related policies. Policies related to agriculture may also require a change given the fact that reputation of the grower is a top important factor to the newly emerged segment impacting their buying decision.

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The use of online services to issue documents for people with reduced mobility

Technology as an important tool for social inclusion

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Abstract — In this abstract, it is presented the need for online services to issue documents for people with reduced mobility, showing how technology can favor the inclusion of alternatives for people facing some difficulties, such as elderly people, people with disabilities, pregnant women, breastfeeding women, people with young children and obese people, do not have to go through exhausting situations due to their physical or mental limitations, showing through the data the importance of the implantation of online services in the issuance of documents for the mentioned public, with the presentation of the obtained data, such as Canvas, structured questionnaires, methods of reliability and bibliographical research that prove the need for social inclusion and impact through social entrepreneurship.

Keywords - Social entrepreneurship; reduced mobility; social inclusion; online services; documents issuance; canvas model; public policy.

I. INTRODUCTION

Reference [1] according to Brazilian law No. 13.146 of July 2015, a person with reduced mobility: one who has, for any reason, difficulty in moving, permanent or temporary, generating effective reduction of mobility, flexibility, motor coordination or perception, including elderly, pregnant, lactating, people with obesity and obese children.

[2] According to Mendes (2009), accessibility can be defined as a set of characteristics to which an environment, product or service must be disposed, so that it can be used with comfort, security and autonomy by all, regardless of their abilities and limitations.

Deficiency can be defined as any impairment that affects the integrity of the person and that damages his / her locomotion, coordination of movements, speech, information compression, spatial orientation and contact with other individuals [3].

The Federal Constitution guarantees the exercise of all social and individual rights, freedom, security, well-being, development, equality, justice and presents the need for accessibility to promote the welfare of all.

Only in Maranhão, according to IBGE - Brazilian Institute of Geography and Statistics (2017), the state's population estimate is more than 7 million people. In the National Health Survey of IBGE (2013) it is possible to visualize, according to table I, the proportion of people with reduced mobility, corresponding in this case to people 60

years of age or older with functional limitation to perform activities of daily living, people with intellectual, physical, auditory or visual impairment, in Maranhão, Northeast region and Brazil, excluding pregnant women, infants, people with babies and obese people who are also considered to be people with reduced mobility, as we can see in Table 1 below [4].

TABLE I. PROPORTION OF PEOPLE WITH REDUCED MOBILITY, BEING PEOPLE 60 YEARS OF AGE OR OVER AND WITH FUNCTIONAL LIMITATION TO PERFORM ACTIVITIES OF DAILY LIVING.

Ranking	Maranhão	Northeast region	Brazil
(%) People aged 60 years or over	8,8	8,4	6,8
(%) People with intellectual disabilities	1,2	0,9	0,8
(%) People with physical disabilities	2,0	1,6	1,2
(%) People with hearing loss	1	1,1	1,1
(%) People with visual disabilities	2,3	3,4	3,6
(%) Total	15,3	15,4	13,6

Source: Data obtained from the Brazilian Institute of Geography and Statistics, IBGE. National Health Survey 2013.

Considering the above table and the information presented, it can be deduced that the proportion of people with reduced mobility may be much higher, since no other modalities were included, with the time span between the National Health Survey of 2013 and the estimate of population of 2017, we can generate in this interval the increase of the numbers described, in addition, we also take into account the increase in life expectancy of the Brazilian, and with this the number of elderly people with locomotion problems tends to grow.

For the issuance of documents of extreme importance for civil identification and registration, the applicant must move to specific points for registration and withdrawal of documents, and from then on, it is a barrier for people with mobility limitations.

For RG (Identity Card), for example, which is the basic document of native or naturalized Brazilians, made by the Office of Public Security, it is necessary to look for the building of the nearest Civil Police Station or specific centers, in the case of the state of Maranhão it is possible to carry out the issuance through the offices of "Viva

Cidadão”, whose purpose is to establish and maintain a new standard for the provision of public services and offer the citizen quality service with speed and comfort, all gathered in a single physical space, with representations of diverse partners to meet community demand [5].

In the case of the Individual Taxpayer Registration Number (CPF), which is another document that we can use as an example, it can be requested by both, Brazilians and foreigners living in the country, it can also be issued in bank branches and in Maranhão it can be performed at “*Viva Cidadão*”. It can also be carried out through a website, if the person has a voter's card, another document from which it is necessary to move around for issuance [6].

With this, it is possible to visualize the various difficulties that a person with reduced mobility needs to face in order to perform indispensable activities such as the issuance of documents, as well as physical aspects such as the absence of ramps, elevators, accessibility of public transportation and precarious or uninstructed buildings, and social issues.

For this work, instead of the concept of entrepreneurial entrepreneurship, social entrepreneurship is being applied, where instead of individual work, which produces goods and services and with a focus on the market and profit, it is about collective entrepreneurship, which produces goods and services to the community, focusing on solutions to social problems, seeking impact and transformation of society.

"Social entrepreneurs are visionary individuals who have the entrepreneurial ability and creativity to promote far-reaching social change in their fields of activity, and are social innovators who will make their mark on history." [7].

II. GENERAL OBJECTIVE

To demonstrate the necessity and applicability of online services for the issuance of documents necessary for the social inclusion of people with reduced mobility.

III. SPECIFICS OBJECTIVES

- A. Study online services that depend on the reliability of electronic databases to offer products that are usually only available face-to-face.
- B. Identify the portion of the population of the state of Maranhão within the criteria of reduced mobility associating them with the difficulties in infrastructure of the environment in which they are inserted.

IV. METHODOLOGY

This research is based on a qualitative study with character and exploratory nature, using structured questionnaires, bibliographical researches and the tool of the Innovation Canvas model. The environment in which the research was carried out was the state of Maranhão focused on the problematic scenario found in the capital, São Luís.

Through surveys conducted through online forms, we were able to contact people covered by Brazilian law No. 13.146, of July 6, 2015 as individuals with reduced mobility. One hundred forty four people answered the questionnaire and gave us the necessary input that enabled us to conduct an in-depth case study and extract the main fundamentals. After the organization and systematization of the data, we made the lexical and qualitative analysis of the main inputs to prove the problem defended as the main theme, as figure 2.

V. THEORETICAL REFERENCE

A. Assistive technology

For Bersch & Tonell (2006) Assistive Technology - AT is used for raising the range of resources and services that facilitate or optimize the functional practices of disabled individuals, thus providing an inclusive and independent experience [8]

If we orient ourselves to the development of the activities in the world, we will realize how much the evolution of the technology facilitates the life. Without taking into account in our daily life, we enjoy items created in order to simplify routine activities such as pencils, watercourses, openers, notebook's, controls, vehicles, smartphones, a vast list of tools that are already seen as resources to improve the development of functions desired.

To conceptualize AT (Assistive Technology), Cook & Hussey, 1995, relied on the definition of ADA - American with Disabilities Act entering into a consensus that is "a wide range of equipment, services, strategies and practices conceived and applied to alleviate the functional problems encountered by individuals with disabilities" [9][10]

Thus, to understand the methodology as a support that will disseminate an optimization of deficient functional abilities, to act providing the development of desired functions and for people in conditions of deficiency or aged greater facility.

All the discourse to follow regarding the facilities to flexibilize an activity introducing more versatile means of guaranteeing the inclusion of people with reduced mobility is affirmed by the importance of AT (Assistive Technology), which according to Radabaugh, 1993, "For people without disabilities, technology makes things more easy. For people with disabilities, technology makes things possible" [11]

B. Canvas Model

The Innovative Canvas Model, or even didactically known Canvas, was titled in the book Business Model Generation by the author Osterwalder and Pigneur (2010) and for the development was employed the arrangement of the mutual creation with the help of more than 200 entrepreneurs and consultants [12].

The authors describe them as a strategic management tool for presenting new ideas and creating new business/projects. Among several advantages that exist in the use of the Canvas methodology, one of them is related to visualization clearly in a single frame with the prototyping of

several segments that describe all the steps of the project/idea.

Therefore, one of the first steps in the application of Canvas for the project was the conceptual use that make up a business model and then the framing in blocks or building blocks [12].

C. *Reliability of virtual authenticity*

The first means of ensuring the authenticity of official documents included a personal and non-transferable mark of the person responsible for creating or validating them, a signature. The registries, in turn, have always used physical stamps distributed and controlled by the Courts of Justice (CJT) to guarantee the autonomy of the certificates issued.

Since then, with the advancement of society, the need to prove the veracity of documents has grown exponentially with the immeasurable range of information in the modern world, thus, new ways to increase the efficiency of systems have been created.

One such system is the Digital Seal, which identifies and recognizes the legal validity of signatures and acts of the holder, based on the use of the public keys, thus presuming the integrity of the cartorial electronic document upon submission of the same [13].

The article 1. from the Brazilian Public Key Infrastructure (ICP-Brazil) is hereby instituted to guarantee the authenticity, integrity and legal validity of electronic documents, support applications and enabled applications using digital certificates, as well as the execution of electronic transactions.

With this new scenario, the increase in innovation, efficiency and quality of goods and services is notorious, facilitating access to information with the digital environment and the creation of new knowledge. In practice, the system has been applied since 2006 for the issuance of a second online ticket by accessing the 24 Hour Registry Office website, it is enough for the user to make a basic registration, to request the desired service, to pay the ticket and to complete a simple form. The requested certificate is sent via mail to the user.

VI. DISCUSSION OF RESULTS

A. *Elaboration of Canvas Model*

With the realization of a brainstorm in order to show an active pain in today's society, and to work with it as an opportunity for improvement, the objective was to highlight the need and applicability of online services for the issuance of documents necessary for the social inclusion of people with reduced mobility, because the issue of inclusion is very present day-to-day based on the technology and methodologies acquired in the academy, which provided us with a foundation to face the challenge. Then, we raised the justifications for the project by focusing on the pain of our client; people with difficulties of movement who need to issue registration documents, and according to research were scored difficulties with delay and physical fatigue when

going personally to carry out the process, also an indignation that there is no other means to this end.

In order to guide the future managers responsible for solving the problems raised, it was proposed to submit a study with an analytical bias to base the development of flexible means for issuing social registration documents.

In this way, encouraging the application of the improvement in the process, highlighting the stakeholders, parties affected positively or negatively with the development of an action, direct that are individuals with reduced mobility, and the indirect ones like the society in general that wins with the exaltation of rights, the state government with the satisfaction of its public, the academic body with innovative study in the region and TA professionals with challenges to be overcome.

The tool makes us bring the benefits brought by the development of the proposed project, culminating in easier document issuance, a reduction of bureaucracy in fundamental processes, optimization of time by eliminating the need for displacement, and greater adherence of the cities of Maranhão State to concept of "Smart City", which according to Hall (2000), intelligent cities work with monitoring and integration of the involved infrastructure items, such as: bridges, road networks, energy supply networks [14].

Therefore, they maximize in a balanced way the use of their resources, planning the maintenance actions and guaranteeing the safety factors, together providing an increasingly better service to the citizens. Factors that can be followed in the Canvas model of the study presented in Figure 1 at the end of this paper.

With the installation of the Canvas model for the development of the project, the next steps are to validate the problem demonstrated below by means of researches carried out, and analysis of data that are translated into information for making decisions about the objective.

The big difference between virtual and conventional subscription lies in four points of guarantee: authenticity, integrity, irrevocability and confidentiality. In addition, the validity of the virtual signature is also guaranteed by the encryption of the data. Control of the issuance of digital certificates is the responsibility of the "Certifying Entity", which in the country is represented by ICP-Brazil, and performs the role of association of private and public keys between users. Among the "Certification Authorities" that work with ICP-Brazil, we find the Federal Revenue Secretariat, Presidency of the Republic, Ministries and other departments.

B. *Statistical research*

The use of questionnaires introduced on the internet as a means of communication in expansion can provide many chances for the consolidation of researches and obtaining statistical data. According to the author Malhotra (2006) the researches realized with aid of the Internet are becoming increasingly popular among the researchers [15].

In Figure 2, we present a synthetic summary of the data obtained by the questionnaire.

In the classification of the questionnaire obtained, 55% of the participants were elderly, 22% were physically disabled, 17% were pregnant and 7% were obese. In addition, 19% are in the age group of 20 to 30 years and 55% over 65 years of age. Another point observed is when to the sex of the participants, 60% are male.

On the other hand, information of fundamental importance for the resolution of the problem was the level of satisfaction presented by the participants. Approximately 72% and 25% of respondents were completely or partially dissatisfied, respectively, with the current method of issuing documents in the city of São Luís.

When questioned also about the possibility of requesting the documents online, 88% of respondents reported that they would support the use.

Therefore, according to the author WILKIE and MOORE (1999), the marketing inserts itself in the daily life of the people, adapting itself to the cultural and political contexts. In order to make the use of this proposal more efficient in society, it is also up to the public sphere to promote social marketing in order to publicize the benefits and maximize the results [16].

VII. FINAL CONSIDERATIONS

The concept of the "Smart City" propagated these days provides a series of innovations applicable in public policies in order to change the way in which various services are offered to society. Most of these innovations are directly linked to the use of technology and the development of urban mobility through social entrepreneurship, the focus of this article.

The great barrier for implementing such innovations in the scope of the issuance of registration documents, making their issuance available online, is linked to the reliability of electronic data shared by the Internet, but the need for people with reduced mobility should serve as a motivation and a foundation for the development of these routes in the public sphere.

Taking into account the scenario in which the State of Maranhão is located, both in statistical numbers of the number of people that fall within the criteria of reduced mobility and the environment of investments in infrastructure still in maturation, the development of Assistive Technologies needs to be studied and deepened with a view to the social inclusion of this part of society.

The facilitation of services such as the issuance of registration documents, which are essentially offered in person only, are of fundamental importance for the reduction of the displacement and time spent in queuing for these people.

It was with the purpose of evidencing the applicability of online services for the issuance of documents necessary for the social inclusion of people with reduced mobility that was approached the use of the "Digital Seal" for official certifications issued by the notary offices. This technology allows users a practical way to request documents that were

fundamentally controlled by ensuring the presence of the requester in past times, while ensuring the integrity of the information in the service provided.

The need was proven by the presentation of the development of a Canvas Model and a questionnaire with the target audience of this study. Together, the tools demonstrate the main topics of discussion of the subject and involve the people who depend the most on this type of service for their satisfaction with the current system.

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Justifications Past	Stakeholders	Development
1 - The physical process for issuing documents is sometimes time-consuming and tiring; 2 - We need options to make document issuance more flexible for individuals who have mobility as a challenge.	1 - Persons with reduced mobility; 2 - Society in general; 3 - Government of the state; 4 - Academic body; 5 - Professionals in the area of assistive technology (TA).	1 - Points out the difficulties and barriers of the current scenario in the provision of basic services in the social inclusion of persons with reduced mobility; 2 - Demonstrate how services that depend on the reliability of electronic data are being provided by both private and government agencies; 3 - Encourage discourse on how the development of assistive technology can minimize the impacts of poor urban mobility of means for social inclusion.
Project goal	Benefits Financial and/or qualitative	
To demonstrate the need and applicability of online services for the issuance of documents necessary for the social inclusion of persons with reduced mobility.	1 - Easier issuance of documents such as RG, CPF, Birth Certificate and others; 2 - De-bureaucratization in processes fundamental to social inclusion;	
Product	3 - Optimization of time by eliminating the need for displacement to perform care;	
Study with an analytical nature to support the proposal of value in the development of flexible means for the issuance of social registration documents.	4 - Greater adherence of the cities of the State of Maranhão to the concept of "intelligent and inclusive city".	

Figure 1. Canvas model for the study. (Source: Developed by the author)

Synthetic summary of the data obtained by the questionnaire

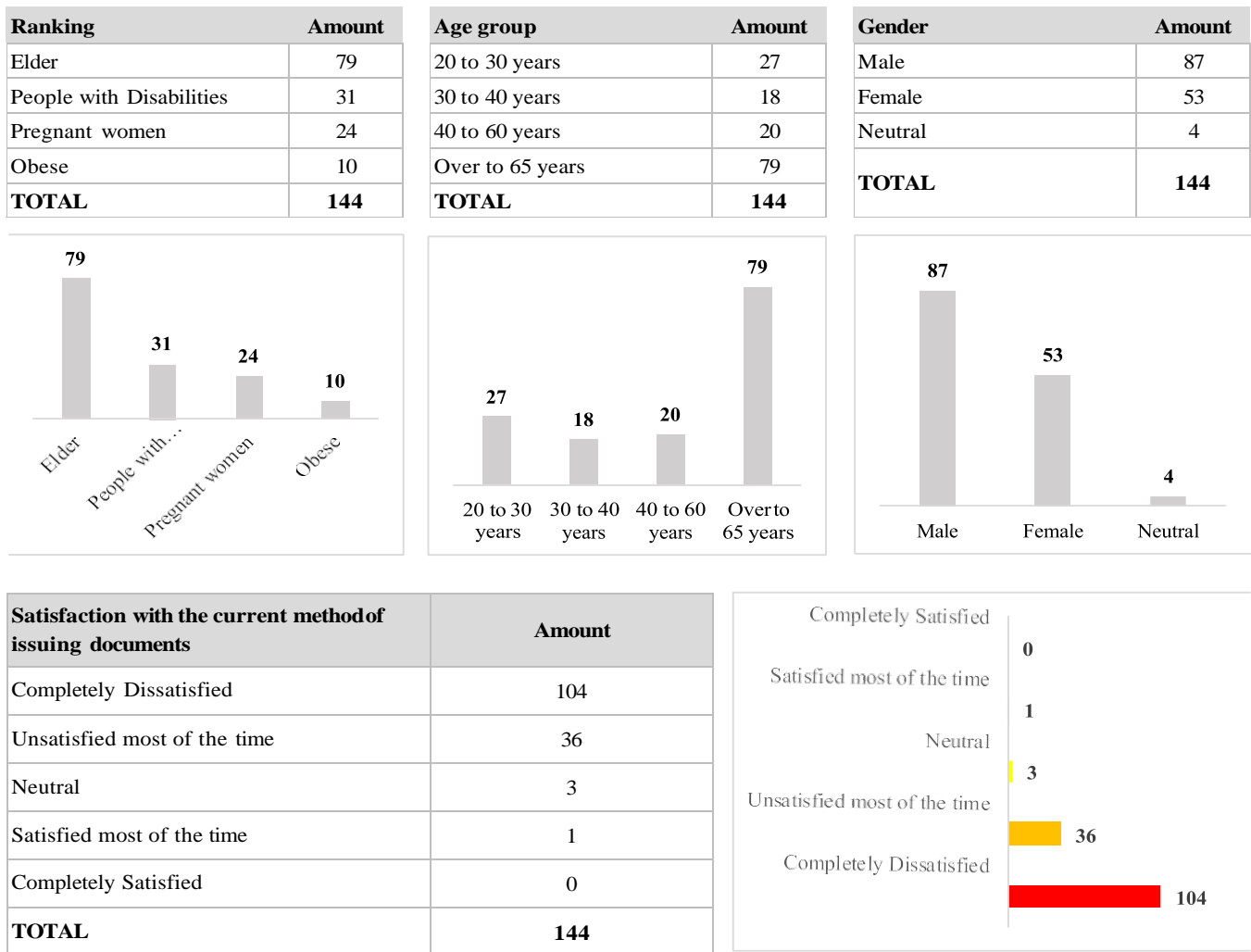


Figure 2. Synthetic summary of the data obtained by the questionnaire (Source: Developed by the author)

Factors Influencing Maize farmers' Access to Credit Services in Eastern Uganda

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Abstract

Access to Credit has been signaled out as one of the factors that promotes adoption of agricultural innovations and technologies and hence contributes to the realisation of the SDG 1 and 2: a world without hunger and poverty respectively. Despite this great contribution, accessing credit services remains a key challenge to maize farmers in Uganda. It's from this background that this study was set to establish the factors that influence maize farmers' access to credit services in Namungalwe Sub county Iganga District. The study employed a cross sectional survey design where 147 farmers were interviewed with help of the semi-structured questionnaire. The farmers were selected through systematic random sampling assisted by the farmer group lists as the sampling frame. A binary logistic model was run to identify significant factors that influence Maize farmers' access to credit services since the dependent variable access to credit is dichotomous. Both descriptive and inferential statistics were applied to analyze primary data. The results indicate that farmers' level of education, membership to a farmer group, income from non-farm activities , assets owned, experience in past credit use had a positive and significant effect on farmer's access to credit while large family size, distance to a credit source and high interest rate had a negative and significant effect on maize farmers' access to credit.

The study therefore recommended the need to reduce distance to credit sources there by narrowing the borrower- lender distance and reducing the transaction costs like transport and monitoring costs which increase the cost of accessing credit. Also, the study recommend the need for the government and the District to support farmer institutional development through formation of farmer groups since belonging to the farmer group was found to positively facilitate easy access to credit services. Conclusively, increasing farmers' income, food security and promotion of use of improved agricultural technologies for increased maize production and productivity would necessitate extending credit services nearer to the farmers and reduction of credit processing costs and procedures.

Key words: Determinants, Credit services, Maize, Smallholder, Uganda.

Accountants and Anti-money laundering Compliance in the Real Estate Sector

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Abstract

In 2018, a series of *Globe and Mail* investigations reveals a clinical and well planned money-laundering scheme in British Columbia (B.C.) real estate market. The reports noted that under a cloak of secrecy, private lenders with connections with illegality were reportedly parking their cash in Vancouver's housing market. In this paper, we employed French sociologists Pierre Bourdieu's work on *habitus*, *field*, and *capital* to understand the practice of accountants in AML compliance. Drawing from experts and semi-structured interviews with accountants, parliamentarians, notaries, law society professionals, and accountants, we found that in general, accountants are not train to understand the regulatory apparatus surrounding money laundering in the real estate sector. The money flow, while complex in real estate transaction, involves the purchasing or selling properties; accessing financial institutions through gatekeepers; assisting the purchase or sale of property; and using mortgage and loan schemes. The findings reveals that accountants and accounting firms can become effective gatekeepers by implementing a strong risk assessment approach. This involves identifying vulnerabilities and risks that accountants and accounting firms may be exploited for money laundering and terrorist financing. Risk assessing clients and monitoring related transactions are key so that they know when to apply risk mitigation strategies and reporting suspicious transactions to Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). It is difficult not to see this study used to inform policy making in British Columbia and by extension Canada to inform AML compliance in the accounting profession.

Moderating effects of consumption domain and consumer characteristics on the impact of tensile price claims

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Abstract

This article investigates the moderating effects of consumption domain (utilitarian vs. hedonic) and consumer characteristics (bargain hunter tendency, perceived search value, and reactance disposition) on the relation between tensile price claim and consumer evaluations. The study adopted a controlled experimental method by utilizing advertisements and questionnaires in an examination of two forms of tensile price claim (i.e., stating a maximum or range of discounts) with a fixed-discount claim (i.e., stating a fixed discount). Results indicated that consumption domain and perceived search value were significant moderators. Consumers who had a higher bargain hunter tendency and a higher reactance disposition expressed more favorable views toward all the claims.

Introduction

Tensile price claims (TPCs), which utilize vague wording to express discount amounts, are frequently adopted by retailers when offering merchandise at different price discounts. There are three basic forms of TPC: maximum-discount TPC, minimum-discount TPC, and range TPC. The maximum-discount TPC presents a maximum discount with an unspecified minimum discount (e.g., “save up to 40%”); the minimum-discount TPC offers a minimum discount with an unspecified maximum discount (e.g., “save 10% or more”); and the range TPC employs both the maximum and minimum discounts (e.g., “save 10% to 40%”).

Consumer responses to TPCs can be explained by a well-known anchoring and adjustment process whereby consumers’ judgments are biased in the direction of the initial anchor point (Tversky and Kahneman 1974). This notion implies that the discount information indicated in the TPC becomes an initial anchor. Since the information differs among the three forms, consumers’ judgments are expected to vary among them (Biswas and Burton 1993, 1994). However, the theory is not quite applicable to the range TPC because

this form indicates dual discounts. Accordingly, to explore the level of consumers' anchor, Biswas and Burton (1994) conducted a study asking consumers to estimate an average percentage of price reductions for the three forms. The forms used were maximum-discount TPC ("save up to 40%"), range TPC ("save 10%–40%"), and minimum-discount TPC ("save 10% or more"). The results found that the maximum-discount TPC was the highest, followed by the range TPC and the minimum-discount TPC. The estimated average percentages were 19.9%, 17.7%, and 13%, respectively. These estimates indicate that consumers use a mixture of the dual discounts as an anchor for the range TPC and all the estimates are biased toward the anchor.

To date, research on TPC from the perspective of consumers remains limited. The objective of this article is to address this issue through an investigation of the moderating effects of consumption domain and consumer characteristics. Such an analysis of boundary conditions can lead to a clearer understanding of consumer behavior and is thus considered important both theoretically and practically. In the following section, a review of research focusing on TPC and our predictions related to consumption domain and consumer characteristics are presented. Then a study and the results are explained. Finally, the findings of the study as well as its limitations are discussed.

Background and Predictions

Literature Review

A pioneering study by Mobley et al. (1988) compared the maximum-discount TPC with a fixed-discount claim comprising two discount amounts: moderate (25%) and large (50%). The fixed-discount claim sets one fixed discount amount (e.g., "save 25%"). The results showed that the maximum-discount TPC lowered perceptions of offer value, information value, and price reduction more than the fixed-discount claim when a large discount was presented ("save up to 50%" vs. "save 50%"). When a moderate discount was presented, these perceptions were similar between the two claims. The next study, by Biswas and Burton (1993), is the first study that compared consumer responses among the three forms of TPC. Comparisons were made among four different discount ranges, from wide to narrow: 5%-45%, 10%-40%, 15%-35%, and 20%-30%. Each range was centered around a midpoint of 25%. The results found that the maximum-discount TPC obtained the best scores, whereas the minimum-discount TPC obtained the worst scores on the perceived saving and value, deal attitude, and the estimate of price reduction when wider ranges were presented (e.g., 5%–45%). For narrower ranges (e.g., 20%–30%), these scores were similar among the forms.

Subsequently, Biswas and Burton (1994) compared the effects of the three forms of TPC and a fixed-discount claim across two types of retailer (department store and discount store). The claim manipulations

used were “save up to 40%” for the maximum-discount TPC, “save 10%-40%” for the range TPC, “save 10% or more” for the minimum-discount TPC, and “save 25%” for the fixed-discount claim. The results showed that the maximum-discount TPC generated more positive effects on the perceived saving, shopping intention, and the estimate of average percentage price reduction compared to the minimum-discount TPC and the range TPC. Also, the maximum-discount TPC generated a higher perceived saving compared to the fixed-discount claim; however, the perceived value, deal attitude, shopping intention, and the estimate of average reduction were similar between them. Further, the store type did not influence the effects of the claims.

More recently, Lee and Stoel (2016) examined the effect of the maximum-discount TPC with four different discounts: 30%, 50%, 70%, and 90%. They measured consumers’ expected discount amount (the average of estimated minimum, maximum, normal and fair percentage discounts) and confirmed that the value concurrently increased with the discount amount. Finally, Shirai (2016) showed that when a large discount was presented, the attractiveness of the minimum-discount TPC (“save 45% or more”) increased as high as the maximum-discount TPC (“save up to 75%”) and the range TPC (“save 45%-75%”). However, consistent with the findings of previous studies, when a small discount was presented (i.e., “save 5% or more”), the attractiveness was the lowest among the three forms (“save up to 35%” for the maximum and “save 5%-35%” for the range). Shirai also found that the three forms led consumers to infer that large discounts were offered on dead-stock or low-quality products; this inference was weakened when the minimum-discount TPC was presented.

In summary, consumer evaluations of the TPC forms vary depending on the indicated discounts. However, some research issues remain to be examined. One issue is that there is a dearth of information on consumption domains in which TPC effects become more salient. For this study, we investigate the hedonic and utilitarian domains because this distinction has previously been demonstrated to effectively explain various consumer behaviors (e.g., Botti and McGill 2011, Khan and Dhar 2006). Another issue neglected thus far is whether consumer characteristics may influence the effects of such evaluations. This article aims to address this limitation. Predictions related to these issues are presented next.

Consumption Domain

We first discuss the effect of consumption domain—hedonic and utilitarian domains. Hedonic consumption is motivated by a desire for sensual pleasure, whereas utilitarian consumption is motivated by a desire to fill a basic need for a functional or practical task (Strahilevitz and Myers 1998). Typical hedonic domains include chocolates, cosmetics, fragrances, designer clothes, and sports cars; utilitarian domains include appliances, detergents, and work-wear apparel (Aaker 1997, Dhar and Wertenbroch 2000, Kronrod et al. 2012). Previous studies have indicated that consumers were more price-sensitive when evaluating the

utilitarian domain compared to the hedonic domain. For example, Wartenbroch (1998) found that consumers forgo savings from price reductions through quantity discounts for hedonic rather than utilitarian purchases. Wakefield and Inman (2003) similarly determined that consumers are less price-sensitive regarding hedonic purchases compared to utilitarian purchases. On the basis of these findings, we presume that when evaluating the utilitarian domain, consumers are less susceptible to the type of the TPC forms because they prefer all kinds of price discounts. Conversely, consumers who evaluate the hedonic domain are expected to show a preference to a certain form more clearly. Therefore, we predict that the differences in preference among the forms will be larger for the hedonic domain than for the utilitarian domain.

Consumer Characteristics

Three consumer characteristics are considered to provide insights into the underlying process of consumer responses to TPCs, namely bargain hunter tendency, perceived search value, and reactance disposition. Bargain hunters are consumers who are not primarily motivated by the need for variety but rather purchase a brand among a product line assortment on the basis of which brand is on sale (Handelsman and Munson 1985). Laroche et al. (2000) found that bargain hunters engage in more information search activities than other consumers. Since all the TPC forms involve searching for deeper discounts, bargain hunters are likely to exhibit a similar preference for them more than non-bargain hunters. Hence, we predict that the differences in preference among the forms will be larger for consumers who have a lower bargain hunter tendency.

Perceived search value is a concept proposed by Srivastava and Lurie (2001) as a means of describing consumers' perceptions of the benefits of searching for the lowest price by visiting several stores in light of time and effort costs. They demonstrated this perception in the context of the price-matching refund policy. We presume that consumers having a high perceived search value are willing to search for deeper discounts regardless of the type of the TPC forms so that they are likely to show a similar preference to all the forms. Thus, we predict that the differences in preference among the forms will be larger for consumers who have a lower perceived search value.

The last characteristic, reactance disposition, has been suggested as an important construct in consumer behavior research. Consumers often generate psychological resistance against the attempts to control their behavior and perceived threats to their freedom of choice (e.g., Brehm et al. 1966; Kivetz 2005), such as unsolicited recommendations, loyalty programs, and stockouts (e.g., Fitzsimons 2000; Fitzsimons and Lehmann 2004; Kivetz 2005). Since all the TPC forms provide the freedom to choose from various discounts, preference for the forms is expected to be more similar for consumers with a high reactance disposition than for those with a low reactance disposition. Thus, we predict that the differences in preference among the forms will be larger for consumers with a lower reactance disposition.

Method

Design and Participants

This study adopted a controlled experimental method with a three (claim type) by two (domain type) between-subjects design. The three levels of claim type were maximum-discount TPC (“save up to 40%”), range TPC (“save 10%–40%”), and fixed-discount claim (25% off). These discounts were selected based on Biswas and Burton (1994). The minimum-discount TPC was excluded because previous studies showed that its evaluations were relatively low when accompanying a low to moderate discount (Biswas and Burton 1993, 1994). The fixed-discount claim was included for comparison purposes. The two levels of domain type were hedonic and utilitarian domains. We selected fashion clothing for the hedonic domain and personal computers for the utilitarian domain based on the previous studies (Aaker 1997, Aaker et al. 2001). These two factors were manipulated in the print advertisement of a retailer. Accordingly, six questionnaires were created incorporating an advertisement as well as a scenario and related questions. Participants were randomly assigned to one of the questionnaires.

The sample comprised 557 respondents who were recruited from an online panel through an internet research company. It was equally divided between genders (50.4% females), and ages ranged from 20 to 81 years, with various occupations.

Procedures and Measures

Participants were asked to imagine that they were thinking of shopping for a new personal computer (or clothing). They were then shown a print advertisement of a hypothetical computer store (or apparel store) and the two dependent variables of perceived saving and shopping intention were measured. A three-item seven-point scale was used to assess perceived saving (“large saving/no saving at all,” “a lot/a little,” “high/low”) and shopping intention (“definitely willing to shop/definitely unwilling to shop,” “definitely would go/definitely would not go,” “very probable/not probable at all). These scales were adopted from Biswas and Burton (1993, 1994). The responses were averaged to form an index for perceived saving ($\alpha = 0.91$) and shopping intention ($\alpha = 0.93$). Further, three consumer characteristics were measured. The bargain hunter tendency was measured on a four-item, seven-point agreement scale (Laroche et al. 2000), as was perceived search value (Srivastava et al. 2001). Reactance disposition was measured on an 11-item, seven-point agreement scale (Hong and Faedda 1996). The Appendix provides the items for these scales. Responses for bargain hunter tendency ($\alpha = 0.74$), perceived search value ($\alpha = 0.79$), and reactance disposition ($\alpha = 0.91$) were averaged to its indices.

Results

Manipulation Check

A manipulation check was conducted to examine domain type manipulation. The perceived level of utilitarianism was measured for each domain on a seven-point scale ranging from “not at all utilitarian” to “extremely utilitarian” (Okada 2005). The manipulation was in the expected direction ($M_{hedonic} = 4.2$, $M_{utilitarian} = 4.6$, $t(555) = 2.72$, $p < .01$).

Consumption Domain

Table 1 shows the means for each treatment. We first carried out a two-way ANOVA involving claim type and domain type as independent variables and perceived saving as a dependent variable. The results revealed a significant main effect of claim type ($F(2, 551) = 10.0$, $p = .000$). Multiple comparison tests confirmed that the maximum-discount TPC had a higher perceived saving compared to the range TPC and the fixed-discount claim ($M_{max} = 4.8$, $M_{range} = 4.3$, $M_{fixed} = 4.3$, $ps < .001$). The main effect of domain type was also significant ($F(1, 551) = 4.4$, $p < .05$), indicating that the utilitarian domain had a higher perceived saving compared to the hedonic domain ($M_{utilitarian} = 4.6$, $M_{hedonic} = 4.3$). Moreover, an interactive effect between the two types was revealed (See Figure 1: $F(2, 551) = 3.2$, $p < .05$). A separate simple analysis for each domain showed that the maximum-discount TPC had a higher perceived saving compared to the range TPC and the fixed-discount claim in the hedonic domain ($M_{max} = 4.9$, $M_{range} = 4.1$, $M_{fixed} = 4.0$, $ps < .001$). In the utilitarian domain, the three claims were viewed similarly ($M_{max} = 4.7$, $M_{range} = 4.5$, $M_{fixed} = 4.5$). A separate simple analysis for each claim revealed that the range TPC and the fixed-discount claim had a higher perceived saving in the utilitarian domain rather than in the hedonic domain ($p < .05$ and $p < .01$ respectively); the perceived savings of the maximum-discount TPC were similar between the two domains. We predicted that the differences in evaluations among the forms would be larger in the hedonic domain rather than in the utilitarian domains. The results were consistent with this prediction. The same ANOVA for shopping intention revealed only a main effect of claim type ($F(2, 551) = 2.96$, $p < .05$). Multiple comparison tests indicated that the maximum-discount TPC obtained a significantly higher shopping intention compared to the fixed-discount claim ($M_{max} = 4.4$, $M_{fixed} = 4.1$, $p < .05$). No significant interactive effect was observed so that our prediction regarding the consumption domain was not supported for shopping intention.

Consumer Characteristics

Next, we conducted a three-way ANOVA for perceived saving and shopping intention by including each of the three consumer characteristics as a moderator. Participants whose scores fell in the middle-third

of its distribution were excluded from the analyses in order to create a clear difference between the high and low groups for each moderator. The results including bargain hunter tendency as a moderator were inconsistent with our prediction both for perceived saving and shopping intention since the tendency did not interact with claim type. The ANOVA found only a main effect of this tendency; it indicated that perceived saving and shopping intention were higher for participants with a high tendency compared to those with a low tendency ($M_{\text{high}} = 4.8$, $M_{\text{low}} = 4.2$, $F(1, 359) = 16.7$, $p = .000$ for perceived saving; $M_{\text{high}} = 4.8$, $M_{\text{low}} = 3.8$, $F(1, 359) = 48.2$, $p = .000$ for shopping intention).

Table 1. Means of dependent variables across conditions

	Perceived saving		Shopping intention	
	Hedonic	Utilitarian	Hedonic	Utilitarian
Maximum-discount TPC	4.86	4.71	4.56	4.33
Range TPC	4.14	4.48	4.13	4.37
Fixed-discount claim	4.04	4.5	4.04	4.2

The ANOVA results including perceived search value as a moderator confirmed a main effect of the search value. It indicated that both perceived saving and shopping intention were higher for participants with a high search value compared to those with a low search value ($M_{\text{high}} = 5.0$, $M_{\text{low}} = 4.1$, $F(1, 335) = 40.8$, $p = .000$ for perceived saving; $M_{\text{high}} = 5.0$, $M_{\text{low}} = 3.7$, $F(1, 335) = 75.3$, $p = .000$ for shopping intention). It also revealed a significant three-way interaction effect for shopping intention ($F(2, 335) = 3.1$, $p < .05$). A separate simple analysis for each group showed that the interactive effect between claim type and domain type was significant only for participants with a low search value ($F(2, 189) = 6.2$, $p < .01$). Among this group, the maximum-discount TPC was evaluated as the highest in the hedonic domain ($M_{\text{max}} = 4.4$, $M_{\text{range}} = 3.7$, $M_{\text{fixed}} = 3.5$, $ps < .01$) while the range TPC was evaluated as the highest in the utilitarian domain ($M_{\text{max}} = 3.4$, $M_{\text{range}} = 4.1$, $M_{\text{fixed}} = 3.6$, $p < .1$). The differences among the three claims were larger for the hedonic domain ($F(2, 103) = 6.0$, $ps < .01$) than for the utilitarian domain ($F(2, 86) = 2.4$, $p < .1$). Our prediction regarding perceived search value was observed for shopping intention; however, the effect was also influenced by consumption type. When consumers have a low search value, shopping intention is susceptible to both claim and consumption types.

Finally, the analysis including reactance disposition as a moderator found a marginal main effect of reactance disposition on shopping intention ($F(1, 299) = 3.1$, $p < .1$), indicating that participants with a higher disposition had a higher shopping intention ($M_{\text{high}} = 4.2$, $M_{\text{low}} = 3.9$). It also interacted with domain type for perceived saving ($F(1, 299) = 4.5$, $p < .05$) and shopping intention ($F(1, 299) = 5.8$, $p < .05$).

These values were significantly higher when participants had a high reactance disposition and evaluated in the utilitarian domain ($M_{\text{high}\&\text{utilitarian}} = 4.9$, $M_{\text{low}\&\text{utilitarian}} = 4.5$, $M_{\text{high}\&\text{hedonic}} = 4.2$, $M_{\text{low}\&\text{hedonic}} = 4.5$ for perceived saving, $M_{\text{high}\&\text{utilitarian}} = 4.7$, $M_{\text{low}\&\text{utilitarian}} = 4.0$, $M_{\text{high}\&\text{hedonic}} = 4.2$, and $M_{\text{low}\&\text{hedonic}} = 4.3$ for shopping intention). Since reactance disposition did not interact with claim type, our prediction was not observed. However, it was found to play an important role when considering consumption domain.

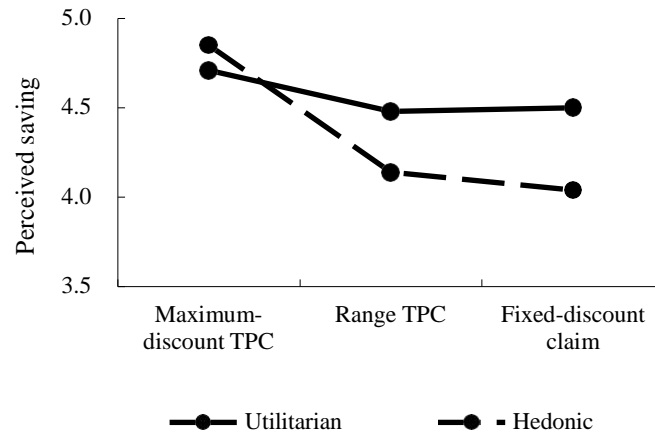


Figure 1. Interactive effect of claim type and domain type

Additional Analysis

We additionally report the moderating effect of gender, which interacted with claim type for perceived saving ($F(2, 545) = 5.8$, $p < .01$). A separate analysis for each gender showed females had the highest perceived saving for the maximum-discount when compared to the range TPC and the fixed-discount claim ($M_{\text{max}} = 5.0$, $M_{\text{range}} = 4.1$, $M_{\text{fixed}} = 4.1$, $p < .000$). Males evaluated the three claims similarly ($M_{\text{max}} = 4.6$, $M_{\text{range}} = 4.5$, $M_{\text{fixed}} = 4.4$). Moreover, gender interacted with domain type for perceived saving ($F(1, 545) = 5.5$, $p < .05$) and shopping intention ($F(1, 545) = 4.9$, $p < .05$). Males had higher perceived saving and shopping intention in the utilitarian domain rather than in the hedonic domain ($M_{\text{male}\&\text{utilitarian}} = 4.7$, $M_{\text{male}\&\text{hedonic}} = 4.2$, $p < .01$ for perceived saving, $M_{\text{male}\&\text{utilitarian}} = 4.4$, $M_{\text{male}\&\text{hedonic}} = 4.1$, $p < .1$ for shopping intention). These values did not differ for females ($M_{\text{female}\&\text{utilitarian}} = 4.4$, $M_{\text{female}\&\text{hedonic}} = 4.4$ for perceived saving, $M_{\text{female}\&\text{utilitarian}} = 4.2$, $M_{\text{female}\&\text{hedonic}} = 4.3$ for shopping intention).

Conclusion

Several significant findings were derived from the study. First, the maximum-discount TPC had a higher perceived saving when compared to the range TPC and the fixed-discount claim. This phenomenon

appeared more saliently when shopping for hedonic products. When shopping for utilitarian products, the three claims were evaluated similarly. Second, the three claims created higher perceived savings and shopping intentions when consumers had a higher perceived search value. Also, among consumers with a low search value, the maximum-discount TPC generated the highest shopping intention when shopping for hedonic products while the range TPC made the highest shopping intention when shopping for utilitarian products. Third, females indicated a higher perceived saving for the maximum-discount TPC compared to the range TPC and the fixed-discount claim. Perceived savings of the three claims were similar for males. Also, the three claims generated higher perceived saving and shopping intention for males when shopping for utilitarian products rather than hedonic products. Females' evaluations were not influenced by the consumption domain. Fourth, the three claims generated higher perceived savings and shopping intentions when consumers had a higher bargain hunter tendency. Lastly, the three claims tend to generate a higher shopping intention when consumers had a higher reactance disposition. Also, consumers who have a higher reactance disposition generated the highest perceived saving and shopping intention from the claims when shopping for utilitarian products. Overall, consumption domain, perceived search value, and gender are elucidated as significant moderators in the relationship between the claims and consumer evaluations such as perceived saving and shopping intention.

These results indicate that retailers should be cautious about the consumption domain especially when advertising the range TPC since consumers do not evaluate it highly when shopping for hedonic products. The use of the maximum-discount TPC is suggested for both hedonic and utilitarian products. Moreover, emphasizing the benefits of finding deeper discounts may be useful especially for consumers having a low perceived search value and a low bargain hunter tendency since TPC advertisements do not increase their perceived saving and shopping intention. Finally, when targeting female customers, the maximum-discount TPC is recommended to use. For males, both the maximum-discount and range TPCs are useful, and these TPCs become even more effective especially when used for advertisements of utilitarian products.

While the findings of this study extend knowledge on several unresolved issues concerning TPC, further research is warranted. Future studies could examine the product categories and retailer types for which TPCs are most suitable. For example, product categories having high variations in price or quality might be more suitable for TPCs because consumers may believe that such variations are the reason for offering merchandise at different price discounts. Investigation is also needed on consumer emotional responses because existing research has been limited to the analysis of consumer cognitive responses.

Appendix

 Scale items

Bargain hunter tendency

1. In general, I shop a lot for “specials” or discounts
2. I am willing to spend more time shopping in order to find bargains.
3. A person can save a lot of money by shopping around for bargains.
4. Prior to shopping, I check all the newspapers and magazines for gift ideas and prices.

Perceived search value

1. The benefit of finding the lowest price is worth the cost.
2. It is not worthwhile to shop most of the stores (R).
3. The potential savings from finding a lower price is worth the cost.
4. It is worth the cost to visit most of the stores.

Reactance disposition

1. Regulations trigger a sense of resistance in me.
 2. I find contradicting others stimulating.
 3. When something is prohibited, I usually think, “That’s exactly what I am going to do.”
 4. I consider advice from others to be an intrusion.
 5. I become frustrated when I am unable to make free and independent decisions.
 6. It irritates me when someone points out things which are obvious to me.
 7. I become angry when my freedom of choice is restricted.
 8. Advice and recommendations usually induce me to do just the opposite.
 9. I resist the attempts of others to influence me.
 10. It makes me angry when another person is held up as a role model for me to follow.
 11. When someone forces me to do something, I feel like doing the opposite.
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Study of the Relation between Accounting Conservatism and Investment Efficiency in the Companies listed in the Tehran Stock Exchange

Tehran, 2012-13 to 2017-18

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Abstract

In this research, the relationship between accounting conservatism and investment efficiency has been studied.

It is expected that conservatism through duly discretion of losses and loss and profit, if any, shall lead to enhanced investment efficiency. This enhancement is made in three ways:

1. Decrease of counter effect of information asymmetry between shareholders and trading unit managers by facilitating clarification of management investment decisions;
2. Added motivation amongst managers to quickly discard weak executive projects;
3. Facilitate foreign financing at minimum cost;

The model used in this study and our interpretation of investment efficiency is BIDEI, HILLARY and VERDI model (2008). In this model, using regression, investment levels of the company are predicted and then, its residuals are used as investment inefficiency index. Testing the hypotheses reveal a direct and significant relationship between conservatism and investment efficiency so that upon promoted level of accounting conservatism, companies investment efficiency is raised. Studies have not shown a significant relationship between over investment and accounting conservatism, nor between investment and conservatism.

Keywords: Conservatism, investment efficiency, over and under investment;

1 - Introduction

One of the most challenging and fundamental issues of today is the concept of economic development becoming one of the most fundamental and essential goal of policymaking and economic deciding of countries (Azimi- 1996). From amongst the most effective factors involved in sustainable economic development and growth is effective investment. For this purpose, an economic enterprise for investment in various projects, should be concerned about the amount of investment and resource limitation (Modarres and Hesarzadeh, 2008) .This is accomplished through project evaluation methods including net present value. According to this method, an investment is made in one or several project/s when gross present value of the said project/s is positive. The main issue of this research is whether or not accepting the project with negative net present value would lead to over investment, and discarding the project with positive net present value results in under investment, followed by no optimization of investment (VERDI- 2006). Since managers are required to invest in projects on an optimized basis creating value for the company, the projects with positive NPV are accepted and those with negative NPV are rejected. Free cash flow of companies is amongst the most essential reasons that create over investment at company level (Yang and Jiang, 2008). One of the most effective factors involved in optimized investment is conservatism. Considering the information role of conservatism, it seems that conservatism shall result in improvement of supervision over decisions of management investment through decrease of investment, where the managers are willing to do over investment, and shall facilitate access to cheap foreign financing, price through increase of investment, where the managers are willing to make under investment (Garcia Lara et al, 2010). Hence, conservatism plays a prominent informative role that may reduce under and over investment. The main goal of this research is to reveal the fact that conservatism enjoys information advantages that lead to achievement of better investment.

2 - Theoretical Fundamentals and Background of Research

In 2006, based on data obtained over 12 years (1994-95 to 2004-05) from the companies listed in the stock exchange of Tehran, Bani Mahd showed the factors involved in accounting conservatism and proposed a measurement model for it. The results of his research have revealed that conservatism and profitability index (Return on Assets) in Iran during the period of the said research has simultaneously decreased. In addition size of companies and taxation has no effect on accounting conservatism. Accounting conservatism cannot be regarded as an efficient conventional mechanism to decrease conflicts of division of profit (dividend) between shareholders and creditors.

In 2008, Rezazadeh and Azad studied the relationship between accounting conservatism and information asymmetry from 2002-03 to 2006-07. The results of their research revealed that there is a negative and significant relationship of information asymmetry between investors and accounting conservatism. It means that upon increase of information asymmetry among investors, demand for applying conservatism in financial report will be increased. Furthermore, according their conclusion, change in information asymmetry among investors shall change the level of conservatism.

According to estimation of conservatism, Basu studied the relationship between earnings and return on shares through regression. He found that in the companies where return on shares is negative, return on shares showed higher correlation with earnings compared to the companies where return on shares is positive. Basu found that during the period in which judicial claims had been increased in the USA, conservatism was increased accordingly.

According to the research conducted by Garcia Lara in 2009, the relationship between conservatism and investment efficiency has been studied. In this article, conservatism is regarded as an interaction against information asymmetry. Conservatism decreases the reverse effect of existing information asymmetry between foreign investors and managers by limiting management accounting manipulation and disclosing other information resources (Lafunda and Watts, 2008). Hence, increased level of conservatism shall improve the problems arising out of information asymmetry and assist with facilitating supervision and clarification of managers track record in connection with their investment decisions.

3 - Theoretical framework

Based on theoretical fundamentals, it may be expected that applying the conservatism by trading unit on investment efficiency would be effective in three aspects: First, in consideration of previous research, conservatism ensures against information asymmetry. Second, enforcing early recognition of incorrect knowledge about economic events, conservatism plays a

prominent role in solving management representation conflicts. Commitment of a company for conservatism facilitates attraction of foreign cash at minimum cost, decreases cost of debt and and capital cost. This decrease in cost of debt and capital cost shall increase the investment opportunities that might have been discarded due to lack of liquidity and many expenses compared to profits. Problems of agents, replacement of assets, information asymmetry, violates the fulfillment of agent duties by a trading unit, conflicts between investors and accreditors and potential and de facto shareholders may raise over and under investments. Hence, investment efficiency has been defined with the least tendency toward over and under investment and the effect of accounting conservatism on increase or decrease of investment efficiency has been demonstrated. Knowing that investment efficiency is a qualitative concept, in order to test the effect of the two factors, it should first be made qualitative.

4 - Methodology

This research includes accounting proof researches. Using historical information in testing its hypotheses, it is classified among pseudo-trial group of researches. The present research is among multivariable applicable group of researches in terms of its goal and is included among correlation group of researches for its method. Research data will be using organizational documents at Tehran Stock Exchange Organization.

4.1 - Goal of Research

This an applied research and may be used by trading units managers, investors, accreditors, auditing institutions, financial analysts and academics. Using statistical samples from 2012-13 to 2017-18, we are discover whether or not there is a relationship between accounting conservatism and investment efficiency and over and under investment.

4.2 - Research hypotheses

- First: There is a significant relationship between accounting conservatism and investment efficiency.
- Second: There is a significant relationship between accounting conservatism and over investment.
- Third: There is a significant relationship between accounting conservatism and under investment.

4.3 - Community and Research statistical sample

Statistical community of this research consists of all investment companies accepted by Tehran Securities and Exchange Organization. Systematic elimination method has been used for sampling. The following five criteria have been set and companies meeting these criteria are chosen into the research community.

1. The Company should have been accepted by Tehran Stock Exchange prior to 2012-13 and stay in the said organization until March 20, 2018.
2. The company has no change in fiscal years 2012-13 to 2018-19 and its fiscal year ends on March 20 accordingly.
3. The company is not among banks and finance institutions (investment companies, financial intermediary, holding and leasing companies). It is likely that the relationship between accounting conservatism and investment efficiency in such institutions may be quite different and it cannot be generalized for the rest.
4. The company has no transactional stop, over six months during the research period.
5. The company's data should be accessible.

4.4 - Size of sample and sampling method

The statistical sample sizes vary in terms of number of community subject of study and sampling method. The problem of specifying the most appropriate number of samples depend on cost and profit. Where possible, the largest samples should be selected. The larger the sample, the more accurate image of a community is presented and the more significant the statistical result will be. At minimum, the sample should be selected at a level necessary to answer our research questions. The statistical sample covers 492 observations using Cochran formula. In our research, after applying the respective conditions and observation of systematic sampling elimination, 216 companies have been selected to participate in testing the hypotheses. The research period over six consecutive years, given us a final sample size of 1296 company / year. This is more than the sample size calculated by Cochran formula.

5 - Data Analysis

Data analysis is a multiphase process during which the corresponding data collected are summarized, classified and eventually processed to establish a suitable bases for analysis and connections among our test data. Using data collected from the research statistical sample of 216 companies during the period 2012-13 to 2017-18, research hypotheses are tested. Test method of hypotheses in our study is “Panel Data” Method, conducted using Eviews software.

5.1 - Test of normal distribution of research-dependent variable

In order to estimate the model parameters, regular “Ordinary Least Squares Regression” method is used. This method is based on the hypothesis stating that research-dependent variable has normal distribution. Abnormal distribution of dependent variable leads to violation of the regression assumptions to estimate the parameters. Thus, it is necessary to test normalization of distribution for research-dependent variable. Here, this subject is studied through Kolmogorov-Smirnov using SPSS software. H_0 and counter assumption in this test are:

$$\{H:Z=N(1,0)$$

$$\{H_1:Z\#N(1,0)$$

If significant level of variables of this test is >0.05 (Prob >0.05), H_0 indicating normal distribution of variable is accepted. Results of Kolmogorov-Smirnov for the variable of return on shares is in Table 1.

Table 1: Test Results of Normal Distribution of Research-Dependent Variable

Variable	Kolmogorov-Smirnov Statistic	Level of significance
Investment efficiency	0.289	0.01

Concerning the fact that level of significance of Kolmogorov-Smirnov Testable for the variable of investment efficiency is >0.05 , H_0 indicating normal distribution of this variable at reliability level of 95% is confirmed. It indicates that the variable of investment efficiency enjoys normal distribution.

5.2 - Test Results of Research Hypotheses

At this section, we deal with estimation of research models: Investment Model

First, using the following regression, predicted investment levels of company and its residuals are used as investment efficiency index:

$$Investment_{i,(t,t+1)} = \beta_{j,t} + \beta_{j,t} * Q_{i,t-1} + \varepsilon_{i,t}$$

We have used the definition of variables of investment model, coefficients estimation and eventually extraction of model's residues as investment efficiency index in the main model of the research. In this model for efficiency assessment, Chow's Test and for estimation, Hausman's Test have been used respectively.

Table 2- Results of selection of investment model pattern

Type of test	Statistic	Value of statistic	Degree of freedom	P-Value
Chow's Test	F	18,954635	219,9543	0.000
Hausman's Test	χ^2	6,951354	1	0.0201

Table 3: Results of Estimation of Investment Model

Dependent Variable :predicated investment			
Variable	Coefficient	t statistic	P-Value
Constant coefficient	492366.3	57,95586	0.000
Tubin ratio	0.042946	19.43662	0.000

Estimated form of the model will be given as follows:

$$Investment_{i,(t,t+1)} = 492366.3 + 0.042946Q_{i,t-1}$$

Table 4: Results of Test of Model Estimation

Coefficient of Determination	F statistic		Durbin Watson's Statistic
R ²	F	P-Value	D
0.79	28.92	0.0000	1.84

In table 4, F statistic and significance level of < 5% and general significance of regression is confirmed. In addition a value of 1.84 of Durbin Watson's Statistic, lack of autocorrelation in the model is confirmed.

5.3.1 - Test Results of H₁ of the research

The aim of testing the H₁ of the research is to study the relationship between accounting conservatism and investment efficiency.

$$Residuals(i, Q)_{t+\lambda} = \beta_0 + \beta_1 Cons_t + \beta_2 Controls_t + \varepsilon_{i,t}$$

In the present research, in order to measure conservatism, Guili and Hine's Model is used.

$$Cons_{it} = OAC_{it} / TA_{it} + (-1)$$

Table 5: Results of selection of Research Main Model Pattern

Type of test	Test statistic	Test statistic value	Degree of freedom	P-Value
Chow's Test	F	2.928685	218.953	0.000
Hausman's Test	X ²	29.915655	7.295	0.0001

Now, we identify serial autocorrelation and heterogeneity of variance in disturbance components of Model 2, using Stata Software.

Table 6- Wald Test Statistic for identifying heterogeneity of variance in Model 2

Wald Test Statistic	
X ² (225)	07E+2.209
P-Value	0.0000

Table 7- Waldridge Test Statistic for identifying autocorrelation serial correlation in Model 2

Waldridge Test Statistic	
F (1.095)	69.235
P-Value	0.0000

In order to remove the heterogeneity and autocorrelation in the main model of the research, generalized "Least Square Estimation" method is used. Results of estimation of coefficients of Model 2 are given in table 8.

Table 8- Results of estimation of research main model using constant effects method

Dependent variable: Investment Efficiency			
Number of observations: 1296			
Variable	Coefficient	t statistic	P-Value
Constant coefficient	2.983656	6.328659	0.0000
Conservatism (X1)	0.118629	3.953564	0.0004
Size of company (X2)	-0.449536	-6.869681	0.0000
Market value to book value of shareholders' equity (X3)	-1.09E-0.6	-0.018268	0.8643
Standard deviation of operational cash flow of company	-1.68E-0.7	-0.869451	0.4192
Value of fixed tangible assets to total assets (X5)	-0.381955	-3.584694	0.0005
Cash flow to sales (X6)	0.038295	1.159846	0.0149
Logarithm of lifelong of company (X8)	-0.069335	-0.495853	0.3864
Cash sums to total assets (X9)	-0.324569	-4.986591	0.000

In table 8, main hypothesis of the research is confirmed. The estimated form of model is: $Y = 2.980 + 0.118X_1 - 0.449X_2 - 1.09E-6X_3 - 1.68E-7X_4 - 0.381X_5 + 0.038X_6 - 0.069X_8 - 0.324X_9$

The results of estimation statistics of the model and classic regression hypotheses is in Table 8.

Table 9- Results of Estimation Statistics of Model 2

Specifying coefficient	F Statistics	P-Value	Watson Camera's Statistic
R ²	F	P-Value	D
0.98	562.1	0.0000	2.319

According to table 9, the model clarifies 98% of changes in dependent variable. Considering F Test Statistic and its significance level is <5%, the total significance of regression is confirmed. Durbin Watson's Statistic of which value is given as 2.319, confirms a lack of autocorrelation in the main model of the research.

5.3.2 - Results of testing H2 of research:

With the H2 of our research, the relationship between accounting conservatism and investment efficiency at over investment level has been studied.

Study of Variance Heterogeneity

In order to study variance heterogeneity, Breusch-Pagan-Godfrey Test is used by Eviews Software.

Table 10- Test Statistic for identifying variance heterogeneity in over investment model:

Breusch-Pagan-Godfrey Test Statistic	
F (8.286)	9.982663
P-Value	0.0000

Study of autocorrelation:

In order to study autocorrelation serial, the value of 1.024 of Durbin Watson 's Statistic reveals autocorrelating the model. Since Breusch-Godfrey Serial Correlation LM Test statistic is <5%, H0 confirming no autocorrelation is rejected and there is autocorrelation in the model.

Table 11: Test Statistic for identifying autocorrelation in over investment model

Breusch-Godfrey Test Statistic	
F (2.389)	69.669421
P-Value	0.0000

Now in order to remove variance heterogeneity and autocorrelation, generalized "Least Square" method will be used. The results obtained from estimation of over investment model are in Table 12.

Table 12- Results of estimation of over investment model

Dependent variable: over investment Number of observations :561			
Variable	Coefficient	t statistic	P-Value
Constant coefficient	-2.365465	-3.864549	0.000
Conservatism (X1)	0.142952	0.604955	0.3917
Size of company (X2)	0.746595	9.855971	0.0000
Market value to book value of shareholders' equity (X3)	-2.29E-06	-0.24654	0.6895
Standard deviation of operational cash flow of company	8.19E-07	5.895462	0.0000
Value of fixed tangible assets to total assets (X5)	-0.249597	-1.279546	0.0984
Cash flow to sales (X6)	0.010195	0.072952	0.8139
Logarithm of lifelong of company (X8)	-0.352954	-1.729546	0.1261
Cash sums to total assets (X9)	-0.395864	-1.018265	0.3815

In table 12, it can be concluded that H2 is rejected and there is no significant relationship between over investment and conservatism because significance level of t statistic for conservatism variable is > 5%. Hence, H0 confirms no significant relationship between over investment and conservatism.

Estimated form of model is given as follows:

$$Y = -2.365 + 0.142X_1 + 0.746X_2 - (2.29E-06)X_3 + (8.19E-07)X_4 - 0.249X_5 + 0.010X_6 - 0.352X_8 - 0.395X_9$$

Table 13- Results of estimation statistics of over investment model⁴

Coefficient of Determination	F statistic		Durbin Watson's Statistic
R ²	F	P-Value	D
0.394688	49.38286	0.0000	1.769866

In table 13, general significance of regression is confirmed since significance level of F Test statistic is <5%. Since the coefficient of determination model is 39%, it is revealed that explanatory variables of the model clarifies 39% of changes in dependent variable. Durbin's Statistic reveals no autocorrelation in over investment model. In Table 13, one may observe preciseness of estimated coefficients in over investment model and one may interpret the corresponding results.

5.3.3 - Results of H3 of research

For the H₀ of our research, the relationship between accounting conservatism and under investment efficiency has been studied.

Study of Variance Heterogeneity

In order to study the variance heterogeneity, Breusch-Pagan-Godfrey Test is used by Eviews Software. With The significance level of the test statistic being <5%, H₀ confirms variance heterogeneity in the model.

Table 14- Test Statistic for identifying variance heterogeneity in under investment model

Breusch Pagan-Godfrey Test Statistic	
F (8.316)	9.486964
P-Value	0.0000

Study of autocorrelation:

In order to study autocorrelation in the model, the value of 0.708 of Durbin Watson's statistic reveals serial correlation in the model. Since Breusch-Godfrey Test statistic is <5%, H₀ confirms variance heterogeneity in the model.

Table 15- Test statistic for identifying the autocorrelation in under investment model

Breusch -Godfrey Test Statistic	
F(2.043)	281.659426
P-Value	0.0000

In order to remove variance heterogeneity and autocorrelation, generalized "least square" estimation method will be used. Results obtained from estimation of under investment model are in Table 16.

Table 16- Results of estimation of under investment model

Dependent variable: under investment Number of observations: 825			
Variable	Coefficient	t statistic	P-Value
Constant coefficient	0.065599	-0.3910191	0.021094
Conservatism (X1)	0.88156	0.398448	0.01295
Size of company (X2)	0.192667	5.019854	0.0024
Market value to book value of shareholders' equity (X3)	-0.001092	0.394559	0.51154
Standard deviation of operational cash flow of company	1.82E-07	2.463556	0.0492
Value of fixed tangible assets to total assets (X5)	-0.192689	-1.785669	0.62199
Cash flow to sales (X6)	0.039299	0.865956	0.38854
Logarithm of lifelong of company (X8)	-0.368162	3.984655	0.01923
Cash sums to total assets (X9)	-0.099028	-0.538499	0.17855

In table 16, since significance level of t test statistic is <5%, H0 stating no significant relation is rejected showing there is a significant relationship between under investment variable and conservatism. The H3 of the research stating that there is a significant relationship between under investment and accounting conservatism is confirmed. There is a significant relationship between variables of a company size and standard deviation of operational cash flow of that company and the company's lifelong logarithm and underinvestment.

Estimated form of the model will be as follows:

$$Y = -0.065 + 0.088X_1 + 0.192X_2 + 0.001X_3 + (1.82E-0.7)X_4 - 0.192X_5 + 0.039X_6 - 0.368X_8 - 0.099X_9$$

Table 17: Rests of statistics of estimation of under investment model

coefficient of Determination	F statistic		Durbin Watson's statistic
R ²	F	P-Value	D
0.681132	89.12565	0.0000	2.195865

Table 17 shows that variables explaining the model clarify 68% of changes in dependent variable. Considering the level of significance of F test statistic that is <5%, general significance of regression is confirmed. Durbin Watson's statistic in under investment model equals to 2.19, confirming no autocorrelation in under investment model. By tudyng Table 17, one may see the preciseness of estimated coefficients in under investment model and the results can be interpreted accordingly.

6 - Discussion and conclusion

Today increasing competition and a lack, and limitation, of financial resources are evident more than ever. These make investment efficiency a critical success factor for organizations. Meanwhile, the relationship between quality of financial reporting and investment efficiency has been studied in earlier researches. Showing a key characteristics of quality of reporting is conservatism.

6.1 - Summary of subject and methodology of research

In order to study the issues identified, this research considered the following hypotheses:

This research is of correlation type and it has been conducted using historic data analysis. In order to test our hypotheses, we used multivariable regression models. The corresponding tests have been conducted using Eviews, stata and minitab software sets. The data for our research has been collected using software sets and financial statements released by the Tehran Stock Exchange Organization.

6.2 - Summary of research findings

The most important findings of this research can be summarized as follows:

Analysis of hypotheses presented in Chapter 4, the conclusion of our research is given as:

Studying the H1 of this research and considering the findings of the next hypotheses based on results presented in Table 8, since P-Value of t statistics concerning conservatism variable is <0.05 (0.0004), H0 is rejected. It can be concluded that there is a significant relationship between accounting conservatism and investment efficiency. Consequently, H1 of this research at reliability level of 95% is confirmed. Positive coefficient of conservatism variable (0.118629) reveals that there is a direct relationship between conservatism and investment efficiency of companies in a manner that upon increase of one unit at accounting conservatism level, 0.11862 units will be added to investment efficiency of companies.

Result of H2 Test:

In Table 12, since P-Value of t statistics concerning conservatism variable is >0.05 (0.3917), H0 is confirmed and it can be said that there is no significant relationship between accounting conservatism and maximum investment. Consequently, first sub-hypothesis at reliability level of 95% is not confirmed. Findings of this hypothesis only conform to findings of Nikoles

and Steven (2008). The difference between these findings and those of other researchers arise from different economic conditions of Iran compared to other countries and testperiod.

Result of H3 Test:

In Table 16, since P-Value of t statistic is concerning conservatism variable is <0.05 (0.01295), H1 is confirmed. It can be said that there is a significant relationship between accounting conservatism and under investment. Consequently, second sub-Hypothesis of this research at reliability level of 95% is confirmed. Findings of this hypothesis conform to those of Hara Kostakis (2013) only.

Table 18- Test results of hypotheses

Title of hypothesis	Test Result
Accounting conservatism effects over investment.	It is rejected.
Accounting conservatism effects under investment.	It is confirmed.
Accounting conservatism effects investment efficiency.	It is confirmed.

7 - Suggestions and limitations

7.1 - Research suggestions

In consideration of evidences obtained from study and test results of hypotheses, this research put forth the following suggestions for Tehran Stock Exchange Organization, company managers, shareholders, creditors, banks, credit institutions, students and researchers as follows:

- It is suggested that in order to prevent over investment and increased efficiency of investors, companies should pay more attention to accounting conservatism.
- It is suggested that in order to increase efficiency of their investments and avoiding under investment, investors should pay more attention to such factors as financing limitations, Corporate Governance and other quality standards of reporting.

7.2 - Suggestions for future researches

- It is suggested that the effect of accounting conservatism on over investment in terms of accounting conservatism to conditional and unconditional conservatism could be studied.
- In consideration of specific economic conditions of Iran in recent years, high rate of inflation, continuous economic uncertainty and sanctions, it is suggested that investment efficiency during the recent eight years compared to previous eight years could be studied.

- References:

- It is suggested that in consideration of value of R2 obtained in table 17, more control variables would be added. RezaZade, J and Azad, A. (2008). "Relationship between information asymmetry and conservatism in financial reporting". Accounting and auditing reviews, No: 54, p(63-80), in persian
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Consumers Perception about Eco-friendly Clothing in Bangladesh

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Abstract

Over the past few years, substantial changes have developed in the buying behaviours of consumers in Bangladesh as well as in global arena. Particularly, over past few decades, along with the increase in purchasing power, there are certain noticeable changes occurred in the buying decisions process of consumers in Bangladesh. Decision concerning industrialisation, for instance, influence greenhouse gas emissions and contribute to climate change. Subsequently, consumers are more concerned about environmental degradation and negative impact of their uses of products and impacts on nature. Having this background, this research primarily focused on the transformations of consumer perceptions regarding conventional to eco-friendly fashion in Bangladesh. This is an explorative research process where the research asserted that fashion is a complex function of both local and global socio-cultural-political and, often, environmental, issues; however, on the other hand, the research considers that a nations' contemporary fashion must reflect its local aspects on its fashion as these local aspects form the visual identity of a nation. Structured questionnaire was used to collect data. Convenient sampling technique was used to select respondents. Prominent areas of Dhaka City were considered for the study; e.g. Mohakhali, Gulshan, Banani, Mirpur, Framgate and Shamoli, Uttara, Dhanmondi. The research findings reveal the relative market positions of various top brands in the country with connections to their distinctive features in relation to the rising eco-fashion in the market. In addition, the research unfolded various inherent factors that are transforming the market; e.g. change in consumer taste/preference due to rising awareness regarding local and global environmental issues. The study would definitely benefit the fashion industry in realizing the market need closely and serve it better. On the other hand it will pave the way for the relevant policy makers to address the environmental issues more effectively in the country.

Potential Trade of CPEC in China's Xinjiang: A Gravity Approach Muhammad Khalid Anser¹, Junaid Waheed²

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Abstract

This study investigates the potential impact of pre and post-CPEC on trade of Xinjiang with Middle East and African (MEA) countries belonging to CPEC. Based on the panel trade gravity model and using a Poisson pseudo-maximum-likelihood (PPML) estimation technique, to analyze bilateral trade main determinants of Xinjiang. To measure the trade gravity between Xinjiang, MEA and top trading partners (TTP), we use two different distances as it is proxy of many types of costs related to trade, in two different models. Model 1A uses the orthodromic distance and Model 1B uses the existing *true distance*. The determinants of both models are then used to simulate Xinjiang pre-CPEC trade potential. Following this, the results of Model 1B are then simulated, using the proposed CPEC *distance* values (the distance used by CPEC route) to calculate Xinjiang post-CPEC trade potential, using the technique of Batra (2006). The results of both models were consistent and almost have similar results for different independent variables. The findings for pre-CPEC that there is a strong potential for Xinjiang bilateral trade exists for 38 African, 11 Middle Eastern, and 7 other countries (out of a sample of 51 African, 12 Middle Eastern, and the 18 top-trade-partner countries). The findings for post-CPEC trade show that there will be a tremendous increase in trade potential for MEA countries due to proposed CPEC route.

Keywords: China Pakistan economic corridor, gravity model, Xinjiang, trade potential, Middle East and African countries

Bestination: a Buddhist approach to Understanding the Motivation of Sustainable Entrepreneurs

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Keyword:

Motivation

Sustainable

Buddhist Entrepreneurs

Moral/Ethics

Abstract

Concepts/Problems:

Entrepreneurs would like to start their businesses so that their businesses would grow to reach a happy and a safe destination whereby the rewards or the satisfaction are sustainable across different generations of stakeholders, families, and also the communities as a whole.

Nowadays, our civilization has witnessed increasing numbers of successful and failed business initiatives. An entrepreneur could put in immense efforts; yet, the businesses still fail to grow and often can be short-lived. Consequently, there are often voluminous literatures pivoting the entrepreneurship field ranging from how to succeed, how to avoid failures, to minorities entrepreneurship.

Entrepreneurs have a myriad of motivation to start their businesses. Many people become entrepreneurs because it is the ‘thing’ whether or not they aspire to be one. Meanwhile, some entrepreneurs like the mum-preneurs prefer to have their own businesses for flexibility, or some social entrepreneurs like to run their businesses for a ‘certain’ good cause, some senior-preneurs would like to have a sense of financial security for their retirement, and other immigrant entrepreneurs may choose to become their own bosses as they could not find the jobs in the market due to the

language barriers. Again, the list of reasons for the entrepreneurs to start their businesses could be endless and varied from one individual to another.

Consequently, if their motivation is better understood, the more specific strategies could be developed to improve sustainability for entrepreneurs. Many studies have previously indicated that one important influencing factor on the entrepreneurs' motivation to start their businesses and business choices is the attitude to work, faith and outlook to lives.

It is important, therefore, to question a) what were the motivation of the entrepreneurs when they started their businesses; b) did religion influence their motivation as well as their business choices?

Meanwhile, it could be argued that other religions would have similar affects on entrepreneurs' decision and there is no requirement to specifically study about Buddhist entrepreneurs. Yet, Buddhism is selected here not because it more special than any others, however, it is a choice of study group because of the authors' familiarity as well as practicality of accessing to such a religious community group. Alongside, it is not the intention of this paper to compare different religions, as it is believed that all religions teach their followers to be good.

Nevertheless, the model from the results in this study could also be applied to other religious entrepreneurs since the Bestination approach aims to understand the entrepreneurs and how such understanding and implication from Buddhist teachings would lead to sustainability.

Method:

This research is a qualitative study combining both face to face and telephone in-depth interviews with 15 successful Buddhist entrepreneurs over a period of 3 months in Bangkok, Thailand. The respondents were introduced to the researchers via personal networks as well as through the Entrepreneurship education program that are conducted by the researchers at their workplaces. Their businesses range across

different industries including real estate, hospitality, retails, consultancy, health and manufacturing.

Qualitatively, success or sustainability in this study has been based on the definition by Schumacher (1973) as the Buddhists aim for liberation and work on the middle path to achieving their goals *based on simplicity and non violence, to contribute not to only one's self but those around them* such as the stake holders of the businesses and the communities.

Most of the Buddhist interviewees were classified as the intermediate and advanced Buddhists practitioners. They were all considered as sustainable as per the following criteria: (i) The businesses must not be one of the five prohibited professions by Buddhism (they are selling of drugs, firearms, human trafficking, live animals for killing, and poison; (ii) Success is defined by beyond the monetary terms, it is the capacity to add values to entrepreneurs' selves, families, communities and stakeholders; (iii) They are registered businesses to ensure their legality; (iv) Their net equity must be positive (that is the total assets must be greater than their debts).

Results and Implications

Most of the respondents all had an intention to start their businesses to help others in need of these products. Majority of the study group have sustained their businesses whether as start ups or expanded from their family businesses and have been in their industries for more than five year with a number of them having been in their current businesses for more than 10 years.

This study revealed the essential matters for sustainability including the intention to help others, the honest acquisition of resources to produce rewards to the right people at the right pace in the right places. This research proposed a business destination or 'Bestination' model that suggests a sustainable approach to starting up businesses.

Bestination is a term used for Business Destination for entrepreneurs to achieve satisfying business outcomes through studying and understanding their own

spirituality and attitudes to businesses. This study brings the entrepreneurs back to basics of morality and ethical practice that discourage the businesses to do the wrong things such as bribery, lying, cut throat competition and unethical marketing strategies.

The underlying basis for the Bestination Model for sustainability is the intention of the entrepreneurs that leads to action. If the intention is positive, then it will lead to a positive outcome and vice versa for the negative intention. This study proposed a spectrum of the positive and negative intention and their associated outcomes. The positive intention includes a) the *wise* consideration of the all-possible options whether or not to start businesses and which business the entrepreneurs should choose for their living; b) the *kind* intention towards himself and people involved; c) the *rightfulness* of the occupation and/or business choice. The opposite spectrum of the positivity includes the greed, ego and negligence. The entrepreneurs studied in this study showed mostly the positive intention to start their businesses.

Rating the priority of consumer demands in Kano's model by Shapley value

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Abstract

Shapley value is an efficient way of allocating resources or benefits among several participants, which is served as an important branch in cooperative game theory. In recent years, the concept of Shapley value was generated in some interesting implementations, like the cost sharing of the airport runway among different type of aircrafts, and the calculation of the veto power of permanent and non-permanent members in the United Nations. In this paper, Shapley value is attached to Kano's model in rating the priority of several consumer demands. Firstly, according to the data obtained from the traditional Kano questionnaire, the satisfactory and unsatisfactory values of a certain consumer demand will be computed, which is viewed as payoff functions in Shapley value. Then, the priority can be attained based upon the calculation of Shapley value. Through this method, the decision-makers can figure out the significance of different consumer demands clearly, which may help them appropriately distribute their investments in the product development later.

Keywords: Shapley value, Kano's model, consumer demands, priority

**Outsourcing Practices of Financial Accounting: Its Drivers Amongst Small
and Medium Size Enterprises in Bamenda, Cameroon**

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OUTSOURCING PRACTICES OF FINANCIAL ACCOUNTING:ITS DRIVERS AMONGST SMALL & MEDIUM
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ABSTRACT

This research was carried out with the purpose being to determine what propels managers of Small and Medium Size Enterprises (SMEs) to outsource their financial accounting functions to external parties. The Hypothetic deductive approach was employed in this study. Five hypotheses were examined, primary data was collected through survey questionnaire administered to 60 SMEs in Bamenda and data was analyzed using the Binary logistic regression model. Results show that trust in external accountants is the determining factor of financial accounting outsourcing at 5% level of significance in Bamenda,Cameroon.

Key Words: Outsourcing Practices, Financial Accounting, Environmental Uncertainty, Transaction Cost Theory, Resource cost theory

I. INTRODUCTION

Small and Medium Size Enterprises,(SMEs) contribute immensely to the GDP of its country. These enterprises seems to be a scaled down version of large firms (Ale-Ebrahim et al.,2010).In its quest for survival within the economic environment, these enterprises have to undergo several competitions with the large firms that apply great strategies from market to financial accounting functions.

These strategies will more or less include the management of the financial accounting function, that is: to be outsourced or to be internalized based on several factors that this work seeks to analyze. SMEs are more vulnerable in the global chain as they often bear the brunt of the difficulties of the large firms. This situation will be even more severe for SMEs due to internal resources gaps (i.e human capital such as knowledge and competence) than large enterprises. SMEs should enhance their products and processes by utilizing their internal human resources or obtaining such resources from external sources in a dynamic system of knowledge intensive relation in order to survive in the global economy(Feipour and Jamali,2009).However, if these enterprises have to grow, they must focus on core activities for efficiency matters and outsourcing to compensate for resource(competencies) gaps(Mahmoodzadeh et al., 2009)

The majority of Cameroonians SMEs tend to fail because of lack of planning, knowledge , absence of overall managerial skills and competencies. Hence, Cameroonian SMEs needs suitable and advanced knowledge so as to compete in the global economy because they are likely to be more vulnerable to problems of high work force turnover and knowledge retention. For example, Resource-Based theory(RBV).Note that SMEs are vulnerable in the sense of lacking the necessary routines and competencies for survival(Blackburn et al.,2010).Consequently, as competitive pressure increase, SMEs are forced to find ways of survival particularly in the case of accounting field, where SMEs face different problems in comparison to large firms(Doving et Gooderham,2008).Contextually speaking, outsourcing or externalization in financial accounting is an opportunity for firms to sustain a competitive benefit in the competitive environment as such practices might reduce the burden suffered by small firms. It is observed that SMEs lack sufficient resources and competence to carry out accounting functions internally. Therefore, gaining access to the technical expertise and specialized knowledge of the professional accountant would be the main reason to outsource such functions (Everaert et al.,2007).

Hence external accountant can support smaller firms operating in a competitive environment, to incorporate operational consideration within long term strategic plan (Gooderham et al.,2004).

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Moreover the RBV , explains that SMEs should engage with external accountants to provide accounting function to achieve competitive advantage (Doving and Gooderham, 2008). Furthermore the RBV has become a useful framework to use on external accountant when SMEs are face with competitive pressure (Gooderham et al., 2004). This theory pinpoint factors such as trust in accountant and technical competence that affects a firms decision to outsource financial accounting function(Carey et al.,2006).

In today's economic and competitive environment SMES shall have the knowledge, resources through effective accounting information for making a reliable management decision. To obtain accurate, reliable and timely accounting information through in-house accountant has become a challenge to SMEs. Therefore the present need of an external accountant came to existence to manage resources of SMEs for competitive reasons. This means the outsourcing of financial accounting of the financial accounting functions provides SMEs an opportunity for capacity building in order to achieve sustainable competitive advantage (Lamminmaki, 2008). Knowing that the nature of accounting function is people-intensive (Evaraert et al., 2010), and these SMEs are faced with internal resource gap(e.g knowledge and expertise) and competitive pressure(Blackburn et al.,2010;Gooderham et al.,2004).It is imperative to assess the drivers (factors) that influence financial accounting outsourcing practices in SMEs .

Therefore, this study seeks to assess the drivers of outsourcing practices in financial accounting amongst small and medium size enterprises in Cameroon within the confines of Bamenda while applying the combination of RBV and Relationship Theory (RT) perspectives in the context of developing economy.

II. METHOD

To accomplish the objectives of this study, both quantitative and qualitative research strategies were used since the various qualitative variables were quantified. The descriptive research design was used to show the relationship and effects of the various determinants of the decision to outsource an enterprise financial accounting function.

The study employed quantitative data which included objective items through the questionnaires. Regarding the data source, primary source of data was collected through closed ended questionnaires with selected managers of one hundred (100) small and medium size enterprises in Bamenda. The data collected was analyzed using (SPSS) version 21 computer software. Descriptive statistical methods like: frequency, and inferential statistical methods such as Binomial logistic regression were used, since our outcome variable has two possibilities coded(0,1) was used to present our data and the hypothesis tested respectively.

III. DATA & RESULTS

Taking into account the '*Bivariate*' analysis to assess the relationship between the Financial Accounting Outsourcing (FAO) and the independent variables as shown in tables 1 ,2 and 3 below(cross tabulation of variables),we can derive the following:

Table 1 shows that 52% of the managers of SMEs disagree,23%are neutral and 25% agreed on the external accountant's ability to behave opportunistically. Out of the 52% who disagreed,32.3% do not outsource at least one of their financial accounting functions, while 67.7% actually did outsource at least two of their financial accounting functions. To add,57.1% of the respondents in the neutral category did not outsource at least two

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financial accounting functions as against 42.9% who actually did. Lastly, 53.3% of the enterprises in the agree category did not outsource at least two financial accounting functions as against 48.8% who actually did outsourced.

Table 1: Opportunism and Outsourcing Cross tabulation

			Outsourcing		Total
			No	Yes	
Opportunism	Disagree	Count	10	21	31
		Expected Count	13.5	17.6	31.0
		% within opportunism	32.3%	67.7%	100.0%
		% of total	16.7%	35.0%	51.7%
		Std. Residual	-0.9	0.8	-
	Neutral	count	8	6	14
		Expected count	6.1	7.9	14.0
		% within opportunism	57.1%	42.9%	100.0%
		% of Total	13.3%	10.0%	23.3%
		Std Residual	0.8	-0.7	-
	Agree	count	8	7	15
		Expected count	6.5	8.5	15.0
		% within opportunism	53.3%	46.7%	100.0%
		% of Total	13.3%	11.7%	25.0%
		Std Residual	0.6	-0.5	-
TOTAL		Count	26	34	60
		Expected Count	26.0	34.0	60.0
		% within opportunism	43.3%	56.7%	100.0%
		% of Total	43.3%	56.7%	100.0%

Source: Research data 2018

Table 2 below shows that 13.3% of SMEs are neutral and 86.7% agreed on the trust they have in external accountant. Out of the 13.3% who are neutral, all 13.3% do not outsource at least two of their financial accounting functions. Furthermore, 30% of enterprises in the agreed category do not outsource at least two financial accounting function as against 56.7% who actually did outsource.

Table 2: Trust in External Accountants and Outsourcing Crosstabulation

			Outsourcing		Total
			No	Yes	
Trust in Ext Accountant	Neutral	count	8	0	8
		Expected count	3.5	4.5	8.0
		% within trust in Ext accounting	100.0%	0.0%	100.0%
		% of Total	13.3%	0.0%	13.3%
		Std Residual	2.4	-2.1	-
	Agree	count	18	34	52
		Expected count	22.5	29.5	52.0
		% within trust in Ext accounting	34.6%	65.4%	100.0%
		% of Total	30.0%	56.7%	86.7%
		Std Residual	-1.0	0.8	-
TOTAL		Count	26	34	60
		Expected Count	26.0	34.0	60.0
		% within trust in Ext accounting	43.3%	56.7%	100.0%
		% of Total	43.3%	56.7%	100.0%

Source: Research data 2018

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As concerns table 3,it can be seen that 6.7% of SMEs are neutral and 93.3% agreed that external accountants have the technical competence needed to carry out financial accounting functions. Moreover, out of the 6.7% who are neutral, all of them do not outsource at least two of their financial accounting function. Furthermore 39.3% of enterprises in the agreed category do not outsource at least two of their financial accounting function as against 60.7% who actually did outsource. This goes inline with the resource base view theory that seeks to achieve competitive advantage by properly using the competences where needed

Table 3: Accounting Competence and Outsourcing Crosstabulation

			Outsourcing		Total
			No	Yes	
Accounting competence	Neutral	count	4	-	4
		Expected count	1.7	2.3	4.0
		% within acc competence	100.0%	0.0%	100.0%
		% of Total	6.7%	0.0%	6.7%
		Std Residual	1.7	-1.5	-
	Agree	count	22	34	56
		Expected count	24.3	31.7	56.0
		% within acc competence	39.3%	60.7%	100.0%
		% of Total	36.7%	56.7%	93.3%
		Std Residual	-0.5	0.4	-
TOTAL		Count	26	34	60
		Expected Count	26.0	34.0	60.0
		% within acc competence	43.3%	56.7%	100.0%
		% of Total	43.3%	56.7%	100.0%

Source: Research data 2018

On table 4, it shows that 25% of the managers of SMEs disagree, 26.7% are neutral while 48.3% agreed to the fact that their enterprise of specialized software or particular knowledge is needed to carry out their financial accounting functions.

Out of the 25% of SMEs who disagree,3.3%do not outsource at least one of their financial accounting functions while 21.7% actually did outsource at least two of their financial accounting function.

Furthermore 20% of the SMEs of the neutral category do not outsource at least two financial accounting function as against 6.7% who are actually practices financial accounting outsourcing.

Lastly, 20% of managers and owners of SMEs in the agree category did not outsource at least two financial accounting function although 28.3% agreed as against 48.8% who are actually practicing financial accounting outsource.

Table 4 : Asset Specificity and Outsourcing Crosstabulation

	Outsourcing		Total
	No	Yes	

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Asset Specificity	Disagree	Count	2	13	15
		Expected Count	6.5	8.5	15.0
		% within asset specificity	13.3%	86.7%	100.0%
		% of total	3.3%	21.7%	25.0%
		Std. Residual	-1.8	1.5	-
	Neutral	count	12	4	16
		Expected count	6.9	9.1	16.0
		% within asset specificity	75.0%	25.0%	100.0%
		% of Total	20.0%	6.7%	26.7%
		Std Residual	1.9	-1.7	-
	Agree	count	12	17	29
		Expected count	12.6	16.4	29.0
		% within asset specificity	41.4%	58.6%	100.0%
% of Total		20.0%	28.3%	48.3%	
Std Residual		-0.2	0.1	-	
TOTAL	Count	26	34	60	
	Expected Count	26.0	34.0	60.0	
	% within asset specificity	43.3%	56.7%	100.0%	
	% of Total	43.3%	56.7%	100.0%	

Source: Research data 2018

Table 5 on its part shows that 16.7% of the managers of SMEs actually carry out their transactions on short term, 80% carried out their transaction on medium term and 3.3% have transaction frequency of long term

Out of the 10% of the managers of SMEs who actually carry out their transactions on short term, 40% do not outsource at least one the financial accounting functions while 60% actually did outsource.

Equally, 41.7% of the SMEs that have a medium term frequency transaction do not outsource at least two financial accounting function as against 58.3% who are actually practicing financial accounting outsourcing.

And lastly, all the SMEs that have a long term frequency of outsourcing do not outsource at least two financial accounting function

Table 5:Frequency of transaction and Outsourcing Crosstabulation

		Outsourcing		Total	
		No	Yes		
Frequency of Transactions	Short term Daily to weekly	Count	4	6	10
		Expected Count	4.3	5.7	10.0
		% within freq of transactions	40.0%	100.0%	100.0%
		% of total	6.7%	16.7%	16.7%
		Std. Residual	-0.2	-	-
	Medium term Monthly to quarterly	count	20	48	48
		Expected count	20.8	48.0	48.0
		% within freq of transactions	41.7	100.0%	100.0%
		% of Total	33.3%	80.0%	80.0%

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	Long term Semi annually to annually	Std Residual	-0.2	0.2	-
		count	2	0	2
		Expected count	0.9	2.0	2.0
		% within freq of transactions	100.0%	0.0%	100.0%
		% of Total	3.3%	0.0%	3.3%
TOTAL		Std Residual	1.2	-1.1	-
		Count	26	34	60
		Expected Count	26.0	34.0	60.0
		% within freq of transactions	43.3%	56.7%	100.0%
		% of Total	43.3%	56.7%	100.0%

Source: Research data 2018

Base on the *multivariate analysis(logistic regression results)* as shown on table 6 below, the variables are in an equation.

The omnibus test of model coefficient gives the results of the Likelihood Ratio(LR) test which indicates whether the inclusion of variables contributes significantly to model. A p-value (sig) less than 0.05 indicate that the model is significantly predicting our dependent variable. However from table 5 one can read a chi-square value of 26.260(6df) and a p-value of 0.000, which means the inclusion of the explanatory variables contribute to the model fitness.

The pseudo R-squares (Cox and Snell R square Nagelkerke R square) gives a value of 35.1% and 50.9%. This implies that about 35% to 51% of the variation or changes on the outsourcing intensity is caused by the independent variable(experience, trust in external accountant, asset specificity, opportunism, accounting competence and frequency of transaction). This also means our model is doing a great deal of explanation for a maximum of 51% of determinants of outsourcing practice in Bamenda

Table 6:Output from the Logistic Regressions

Variables in the Equation								
		β	S.E	Wald	df	sig	Exp(B)	
	CONSTANT	8.158	30.617	0.071	1	0.790	3489.954	
	Opportunism	-0.562	1.282	0.192	1	0.661	0.570	
	Asset Specificity	0.189	0.963	0.039	1	0.844	1.208	
	Trust in Ext Accountant	5.069	2.263	5.017**	1	0.025	159.063	
	Accounting Competence	-2.845	4.644	0.375	1	0.540	0.058	
	Frequency of Transaction	-0.663	1.480	0.201	1	0.654	0.515	
	Experience	1.058	0.547	3.743*	1	0.053	2.882	
Model Summary and Coefficients			Chi -square =22.260***(6df) P-value =0.000					
			-2log likelihood=45.269 cox & snell R Square=0.354					
			Nagelkerke R Square					

***, ** & * significant at 1%, 5% and 10% respectively

Source: Research Data 2017

In order to discuss the effect of each variable on the financial accounting outsourcing, let's note the hypothesis under each investigation.

H1: The stronger the perception that the external accountant will behave opportunistically, the less intensely the financial accounting function is outsourced.

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H2: The higher the asset specificity of accounting tasks the less intensely they are outsourced.

H3: The stronger the trust that external accountants are reliable concerning the delivery of accounting activities than in-house accountants, the greater the propensity for outsourcing accounting function.

H4: The higher the frequency of accounting tasks the less intensely they are outsourced.

H5: The stronger the level of perception that external accountants are more technically competent than the internal accountant the higher the intensity of outsourcing financial accounting functions.

Feedback

After a critical look of H1, H2, H3, H4 and H5 based on their coefficients, that is α , β , and $\text{Exp}(\beta\beta)$, H3 stands out with the highest beta value of 5.069 showing that there is a very positive impact of outsourcing at 50% that was coded as one(1). Thus, justifying the increase in trust in external accountants more likely to outsource financial accounting function.

The stronger the trust that external accountants are reliable concerning the delivery of accounting activities than in-house accountants, the greater the propensity for outsourcing of accounting functions as against the other four insignificant hypothesis. This is because it gives a level of significant less than alpha($0.025 < 0.05$) while the others namely H1, H2 H4 and H5 were rejected.

CONCLUSION

Taking into account all necessary findings made in Bamenda (case study) the following were discovered from our descriptive statistics and hypothesis testing:

Amongst the four accounting tasks indentify, the most outsourced is the preparation of the tax return forms, that is; 70% as against 30%.The least outsourced tasks is the entry of invoices into the ledger,100% as against 0%.Furthermore,the preparation of financial statements has a 62% outsourced intensity while the internal accountant has a 38% frequency of performing this same task. Lastly, payroll transactions show a 28% outsource likelihood as the internal accountant does that 72% of the times

Our descriptive analysis show that, three variables (Asset specificity, trust in external accountants and accounting competence) have an association to financial accounting intensity while opportunism and frequency of transaction have no relationship with financial accounting intensity in SMEs in Bamenda

Our regression analysis shows the following:

Opportunism has no influence on the financial accounting outsourcing in Bamenda,this is in accordance with our expectations.

In ine with our expectations, trust in external accountants have a positive significant association with financial accounting outsourcing. This happens to be the only determinant of financial accounting outsourcing in Bamenda city.

Contrary to what we expected assets specificity has a little or no relationship with financial accounting outsourcing as well as frequency of transactions and accounting competence

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Capital Adequacy: Analyzing credit and operational risks in Indian banks

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Abstract

This study attempts to compare two major types of risk in banking industry namely; credit and operational risk in India. We have examined the relationship between size of banks and excess capital held for their credit and operational risk from the year 2009 to 2017. The data is collected from the Prowess database of Centre for Monitoring Indian Economy. Size is measured by deposits plus advances. Excess capital for credit risk is estimated by difference between actual capital and minimum capital requirements held for credit risk (Standardized Approach) as per Basel II norms. Similarly, Excess capital for operational risk is estimated by difference between actual capital and minimum capital requirements held for operational risk (Standardized Approach) as per Basel II norms. We used panel data regression for estimating our results. The finding indicates different outcomes for different types of risk. There is a positive relationship between excess capital for credit risk and bank size while a negative relationship between excess capital for operational risk and bank size. The findings suggest that smaller banks hold less excess capital for their credit risk and more excess capital for their operational risk. Our study might be of interest to bank regulators and policy maker for estimating capital requirements as well as implementing new Basel accord (Basel III).

Keywords: Credit Risk, Operational Risk, Capital Adequacy, Indian Banks, Risk Management, Basel Accord.