



2013 Pan-Pacific Business Research Conference (PPBRC)

February 21 -23, 2013

at

College of Business Administration,
California State Polytechnic University- Pomona,
Pomona, California, USA

Hosted by

Richard S. Lapidus,
Dean of the College of Business Administration,
California State Polytechnic University-Pomona

Keynote Speaker:

Anthony Scardino

Chief Financial Officer, U.S. Patent and Trademark Office (USPTO),
U.S. Department of Commerce

Title: Copyrights and patent laws and the commercialization
of products and services

Time: 10:30 am – 11:30 am, Friday, February 22.

Short Bio

Mr. Anthony Scardino is the CFO for the USPTO. He serves as principal advisor to the USPTO Director to support and improve the accounting, budgeting, planning, and organizational performance systems of the USPTO. Mr. Scardino has a BA degree in political science from the State University of New York at Geneseo and a Master of Public Administration degree from the State University of New York at Albany. He also has recently attained his Certified Government Financial Management (CGFM) certification with the Association of Government Accountants and is a recent graduate of Harvard's John F. Kennedy School of Government's Senior Managers in Government Program.

Pan-Pacific Business Research Institute

2013 Pan-Pacific Business Research Conference

February 21–23, 2013

(www.ppbri.org)

On-Site Conference; College of Business Administration, California State Polytechnic University- Pomona, Pomona, California, USA

Conference Schedule:

Program schedule on February 21, 2013:

Registration: 5:00 pm – 8:00 pm
Review board meeting: 6:00 pm – 8:00 pm

Program Schedule on February 22, 2013

Registration 8:30 am – 4:00 pm
Coffee Break 8:30 am – 9:00 am

The 1st Paper Presentation Session 9:00 am – 10:15 am
(College of Business Administration Building, Room 163-1032)
(College of Business Administration Building, Room 163-2004)

Key note speech by Mr. Scardino 10:30 am – 11:30 am
(College of Business Administration Building, Room 163-1029)

Lunch 11:30 am – 1:00 pm

The 2nd Paper Presentation Session 1:00 pm – 2:15 pm
(College of Business Administration Building, Room 163-1032)
(College of Business Administration Building, Room 163-2004)

The 3rd Paper Presentation Session 2:30 pm – 3:45 pm
(College of Business Administration Building, Room 163-1032)
(College of Business Administration Building, Room 163-2004)

The 4th Paper Presentation Session 4:00 pm – 5:15 pm
(College of Business Administration Building, Room 163-1032)
(College of Business Administration Building, Room 163-2004)

Cocktail party	5:30 pm -6:30 pm at the Restaurant at Kellogg Ranch*
Dinner and Award Receptions:	6:30 pm – 8:30 pm at the Restaurant at Kellogg Ranch*

* Kellogg Ranch is located at 3801 W. Temple Ave., Building 79, Cal poly Pomona, Pomona, CA 91768

Program Schedule on February 23, 2013

Research Interaction Forum	9:00 am – 12:00 pm
Executive committee meeting	9:00 am – 12:00 pm

Executive committee of the conference: The conference chair & PPBRI representatives.

Area committees:

- **Accounting:** Ilwoon Kim*, Sungkyoo Huh, K. J. Lee, John Jin, Byunghwan Lee, Samantha Liu
- **Finance:** Heungjoo Cha*, Ghulam Sarwar, Taewon Yang, Hua Sun,
- **Hospitality/Tourism Management*** Myong Jae Lee
- **Intellectual Property:** Frank Lin*, Peter Yoo
- **Management and Human Resources:** Cedric E. Dawkins, Olukemi O. Sawyerr
- **Marketing:** Jae Min Jung*
- **Supply Chain Management:** Yuanjie (Edmund) He*
- **General Business:** Haakon Brown*

*Area chairs.

The Aim and Scope of the Conference

The PPBRC is a highly interactive business conference that provides the opportunity for participants to share their research in an interdisciplinary setting and to disseminate research findings with others in the academic and business community. The conference will consider both conceptual and empirical papers in all areas of business and economics including, but not limited to, Accounting, Economics, Entrepreneurship, Finance, Hospitality Management, International Business, Marketing, Human Resource Management, Operation Management, Information Systems, Strategy, and Supply Chain Management:

- Current and new theories.
- New regulations and policies.
- Application of business and economic theories.
- Case studies exploring current issues

- Pedagogical issues in business education.

The conference considers all topical areas but papers that focus on business issues in pan-pacific countries are particularly encouraged and welcomed.

Guideline for Paper Preparation and Style

Before submission, the paper should not have been published in any other journals. The paper should be in MS Office Word format. It should be written in a double space no more than 30 pages, one inch margin in all sides, and 12 font size with times new roman font. The cover page should include the title of the paper and author information—the name(s), affiliation(s), address(es), phone number(s), and email(s) as well as contact author of the paper. On the second page, the paper title should repeat along with an abstract, and key words. The title should appear in the center of the first line. Next provide two blank lines by hitting enter three times right after the end of the title. The abstract should be no more than 250 words. Give another blank line and then provide key words up to six words. PPJBR generally follows the American Psychological Association (APA) guidelines. Reference should be presented in a separate sheet at the end of the paper. Tables and figures and their numbering should appear on the appropriate page within the text. Please do not use footnotes; instead explain it within the text or use appendix. The appendix should be located between the end of the text and reference.

Guideline for Paper Submission and Decision Process

All papers should be submitted to info@ppbri.org by January 15, 2013. Review of the papers will start immediately via a rigorous double-blind review process, and the authors will be informed of the acceptance decision by February 7, 2013.

Publication Opportunities in Proceedings

All the papers accepted for presentation will appear in the conference proceedings. Authors should indicate if they want the full or extended abstract (no more than 1,000 words) to be printed in the conference proceedings. PPBRI has a copyright for all the printed articles and manuscripts that appear in the proceedings.

Distinguished Paper Awards and Publication Opportunities PPJBR

All complete full papers submitted and presented at the Conference will be considered for a Distinguished Paper Award on a competitive basis. Distinguished paper winners will receive a certificate of recognition at the conferences closing dinner. Further, the authors of all the distinguished papers will be further invited to revise and resubmit their papers for potential publication in the *Pan-Pacific Journal of Business Research* (PPJBR), which has a plan in place to be a premier multi-disciplinary journal aiming to be indexed in the Web of Knowledge's SSCI (Social Science Citation Index) in the next 10 years.

Registration

To register for the conference, send a registration form (to be announced) to info@ppbri.org by February 15. The payment of \$345 should also be accompanied by February 15 and can be made electronically via Paypal at <http://ppbri.istudyusa.net/index.php/payment-fee>. Alternatively, the payment can be made by writing your check payable to "Pan-Pacific Business Research Institute" in U.S. Dollars and sending it to Pan-Pacific Business Research Institute, 191 W. 23rd. Street, Upland, CA 91784. Both the registration form and payment must be received by February 15, 2013 to avoid late registration fee of \$40.00.

- On-site registration fee will be \$385 including late registration fee of \$40 and should be paid by a check written to Pan-Pacific Business Research Institute.
- \$75 of annual membership fee will be waived for those registrants of the conference.
- Authors who present their papers at the Pan-Pacific Business Research Conference will be waived all the publication-related fees—submission fee (\$75) and publication processing fee (\$250), should they wish to pursue publication opportunities at Pan-Pacific Journal of Business Research with the presented papers.

Hotel Information

Kellogg West Conference Center and Hotel is conveniently located on campus well within 10 minutes of walking distance. For more information, go to <http://www.kelloggwest.org/> or call at 1.800.KWEST.76 (or 909.869.2222).

Nearest Airports

- Ontario international airport (ONT) is located east, only 15 miles away, from the conference site, and traffic condition is very favorable most of the time.
- LA international airport (LAX) is located, west, about 44 miles away, from the conference site. The travel time will vary depending on the traffic condition.

Conference Schedule

The 1st Paper Presentation Session (College of Business Administration Building, Room 163-1032, **Accounting**) 9:00 am – 10:15 am

1) Founding Family Ownership and Industry Specialist Auditors: Evidence from the S&P 1500

Fei Kang, California State Polytechnic University, Pomona, kang@csupomona.edu

2) Identifying Material Weakness of Internal Control: An Empirical Study for a Multi-year Period

John J. Cheh, University of Akron, cheh@uakron.edu

Il-woon Kim*, University of Akron, ikim@uakron.edu

Juliana Reifsnnyder, University of Akron, jmr190@zips.uakron.edu

3) Practical Ideas for Incorporating Writing in the Accounting Curriculum

Robert L. Hurt, California State Polytechnic University Pomona, RLHurt@csupomona.edu

The 2nd Paper Presentation Session (College of Business Administration Building, Room 163-1032, **Accounting**) 1:00 pm – 2:15 pm

1) Rounding Reported Earnings Numbers and Firm Characteristics in Korea

Naechul Kang, Hongik University, Korea

John Jin*, California State University-San Bernardino, jjin@csusb.edu

Daniel Gyung Paik, University of Richmond, daniel.paik@richmond.edu

2) The Effect of Capitalizing Operating Leases on the Immediacy to Debt Covenant Violations

Byunghwan Lee, California State Polytechnic University, Pomona, byunghwanlee@csupomona.edu

Daniel Gyung Paik*, University of Richmond, daniel.paik@richmond.edu

Sung Wook Yoon, California State University, Northridge, sungwook.yoon@csun.edu

3) Voluntary Adoption of IFRS and Its Impact on the Value Relevance of Earnings and Equity Book Value for Korean Firms

Sung-Kyoo Huh *, California State University – San Bernardino, huh@csusb.edu

Kyung Joo Lee, University of Maryland-Eastern Shore, kjlee@umes.edu

John Jongdae Jin, California State University – San Bernardino, johnjdjin@gmail.com

Daniel Gyung Paik, University of Richmond, daniel.paik@richmond.edu

The 3rd Paper Presentation Session (College of Business Administration Building, Room 163-1032, **Finance**) 2:30 pm – 3:45 pm

1) Informed Speculation about Trading Flows: Price Variability and Trading Volume

Qiang Lia*, Shanghai University, rslq@nus.edu.sg

Hua Sun, California State University, San Bernardino, hsun@csusb.edu

2) Capital Appreciation Bonds: The Creation of Toxic Waste Dump in Our Schools

James P. Estes*, California State University, San Bernardino, jimestes@csusb.edu.

3) Performance Evaluation of Tax Reform in China—From the Perspective of Efficiency and Equity

Liu Zhe, Shandong University at China, liuzhe0108@126.com.

The 4th Paper Presentation Session (College of Business Administration Building, Room 163-1032, **Accounting**) 4:00 pm – 5:15 pm

Financial Effects of the Right-To-Use Model for Lessees on Capital Market

Hong S. Pak, California State Polytechnic University, Pomona

Byunghwan Lee*, California State Polytechnic University, Pomona,

byunghwanlee@csupomona.edu

Changes in Accounting Information Quality with the Adoption of IFRS: Korea Case

Kyung Joo Lee, University of Maryland-Eastern Shore, Princess Anne.

John Jongdae Jin *, California State University – San Bernardino, California

Hassan Hefzi, and Byung H. Lee, California State Polytechnic University-Pomona, California

The 1st Paper Presentation Session (College of Business
Administration Building, Room 163-2004, **Hospitality & Tourism**)
9:00 am – 10:15 am

1) Flash Sale Marketing: Effects on hotel Occupancy, RevPAR, and Average Daily Rate

Louise Woo, California State Polytechnic University, Pomona

2) The Impact of Presence of Historical Reenactors on Cultural Tourists' Perceived Authenticity of Heritage Sites Experience

Brian Rudloff & Joong-Won Lee, California State University, Northridge

3) Notable Napa: Determining the Competitiveness of Wine Tourism Regions from a Supply Perspective

Yvonne Hsiung, Neha Singh & Margie Jones, California State Polytechnic University, Pomona

The 2nd Paper Presentation Session (College of Business
Administration Building, Room 163-2004, **Hospitality & Tourism**)
1:00 pm – 2:15 pm

1) What makes Generation Y's Employees Remain in the Hospitality Business? An Internal Marketing Approach

Chang Huh, William D. Frye, Niagara University
Myong Jae Lee, California State Polytechnic University, Pomona

2) Display rules, Emotional labor and The outcomes of emotional labor

Yoo Yong Jae*, TongWon University, Korea
Lee Hwa Seok, Korean Airline (KAL)

The 3rd Paper Presentation Session (College of Business
Administration Building, Room 163-2004, **Marketing**) 2:30 pm – 3:45
pm

1) A model of online shopping engagement process: A multilevel analysis of website visual quality on online engagement

Hyunjoo Im, University of Minnesota-Twin Cities*, hjim@umn.edu
Young Ha, California State University, Long Beach

2) Learning Effects in South Korean Manufacturing: An Experience Curve Effects Approach

Tarique Hossain, California State Polytechnic University-Pomona*, tmhossain@csupomona.edu
Sang Jin Bae, Korea Institute of Science and Technology Information, Korea
Sung-Soo Seol, Hannam University, Korea

The 4th Paper Presentation Session 4:00 pm – 5:15 pm

The 1st Paper Presentation Session (College of Business
Administration Building, Room 163-1032) 9:00 am – 10:15 am

**Founding Family Ownership and Industry Specialist Auditors:
Evidence from the S&P 1500**

Fei Kang, California State Polytechnic University, Pomona, kang@csupomona.edu

ABSTRACT

I examine whether and how family firms' unique ownership structure and agency problems affect their choice of industry-specialist auditors. Using data from the S&P 1500 firms, I find that family firms are more likely to appoint industry-specialist auditors than non-family firms, which suggests that family firms have strong incentives to hire industry specialists to signal the quality of their financial reporting. My additional analysis shows that, compared to family firms without dual-class shares, family firms with dual-class shares have even higher demand for industry-specialist auditors to signal firms' disclosure quality. Furthermore, my results indicate that, when family members serve as CEOs, firms have a stronger tendency to hire industry specialists.

Identifying Material Weakness of Internal Control: An Empirical Study for a Multi-year Period

John J. Cheh, University of Akron, cheh@uakron.edu

Il-woon Kim*, University of Akron, ikim@uakron.edu

Juliana Reifsnyder, University of Akron, jmr190@zips.uakron.edu

ABSTRACT

According to the Sarbanes-Oxley Act of 2002, the management of publicly-traded companies is required to assess their companies' internal control material weaknesses and provide assertions of effective internal control over financial reporting. Each company's independent audit firm is required to attest these assertions. Even though the Act helped improve the quality and transparency of financial reports, many publicly-traded companies have been concerned about the increase in audit fees charged by external auditors, questioning the practical value of the Act. The main objective of this paper is to provide evidence that data mining can be used as a powerful tool to identify those companies with material weaknesses in internal control. The decision tree model, in particular, reveals decision rules that can be used by auditors to assess whether a company under audit is likely to have weak internal controls. This information will help auditors not only enhance the effectiveness of the audit but also reduce its cost so that the value of the Act can be enhanced.

* The corresponding author.

Practical Ideas for Incorporating Writing in the Accounting Curriculum

Robert L. Hurt, California State Polytechnic University Pomona, RLHurt@csupomona.edu

ABSTRACT

This paper provides some practical suggestions for accounting faculty who want to incorporate meaningful, purposeful writing assignments in their courses. It explains the importance of writing in the accounting curriculum from both accreditation and practice perspectives; it also gives examples of appropriate writing assignments throughout the undergraduate curriculum. Finally, the paper offers ideas for managing grading effectively (such as the use of holistic rubrics).

Key words: writing, accounting curriculum, grading, assignment types

* The corresponding author.

The 2nd Paper Presentation Session (College of Business
Administration Building, Room 163-1032) 1:00 pm – 2:15 pm

Rounding Reported Earnings Numbers and Firm Characteristics in Korea

Naechul Kang, Hongik University, Korea

John Jin*, California State University-San Bernardino, jjin@csusb.edu

Daniel Gyung Paik, University of Richmond, daniel.paik@richmond.edu

ABSTRACT

In this study, we examine whether Korean firms manage earnings through rounding the second digit of earnings numbers to achieve the reference point. We also investigate whether there is a relationship between the abnormal rounding behavior of earnings numbers and the reporting entities' firm characteristics such as financial leverage, operating performance, size, and audit quality.

The results in this study suggest the following; first, Korean firms round the second digit of earnings numbers to achieve the key reference point. Second, among positive earnings firms, highly leveraged firms engage in earnings management through rounding earnings numbers more aggressively than low leveraged firms. However, financial leverage may not affect managers' earnings management through rounding the second digit when they report losses. Third, operating performance may not affect the managers' efforts to round the second digit in order to achieve the reference point among both positive earnings firms and negative earnings firms. Fourth, among positive earnings firms, small firms are more likely to engage in earnings management than large firms are. While among negative earnings firms, large firms do more actively engage in earnings management than small firms do. Fifth, on the contrary to our expectation, when losses are reported, firms using Big 4 auditors do more aggressively engage in earnings management than firms using Non-Big 4 auditors. The results for the third digit are slightly different than those for the second digit of earnings numbers.

The Effect of Capitalizing Operating Leases on the Immediacy to Debt Covenant Violations

Byunghwan Lee, California State Polytechnic University, Pomona,
byunghwanlee@csupomona.edu

Daniel Gyung Paik*, University of Richmond, daniel.paik@richmond.edu

Sung Wook Yoon, California State University, Northridge, sungwook.yoon@csun.edu

ABSTRACT

Recently, the FASB and the IASB have been working on reforming lease accounting rules. At this time, it is unknown what specific lease standards will be adopted in the U.S. However, financial statement users can expect that, if the FASB decides to move toward a more principle-based approach, U.S. companies will likely be required to re-classify their operating leases into capital leases. In this study, we investigate the effect of capitalizing operating leases on firms' immediacy (closeness or tightness) to their debt covenant violations. The results of our analysis of U.S. companies indicate that the capitalization of operating leases will cause significant changes in the various financial ratios contained within firms' debt covenants. We find that, for some firms, capitalization deteriorates their financial ratios significantly and to the extent that firms will likely violate their debt covenants after such capitalization. However, our results also indicate that, for other firms, capitalizing operating leases results in the improvement of financial ratios and will help firms reduce their risk of debt covenant violation. This study benefits investors, creditors, management, and accounting standard setters by helping them better understand how the immediacy to debt covenant violation will be affected by changes in financial statements brought about by capitalizing operating leases.

Keywords: lease accounting, capitalizing operating lease, debt covenant, IFRS adoption.

* The corresponding author.

Voluntary Adoption of IFRS and Its Impact on the Value Relevance of Earnings and Equity Book Value for Korean Firms

Sung-Kyoo Huh *, California State University – San Bernardino, huh@csusb.edu

Kyung Joo Lee, University of Maryland-Eastern Shore, kjlee@umes.edu

John Jongdae Jin, California State University – San Bernardino, johnjdjin@gmail.com

Daniel Gyung Paik, University of Richmond, daniel.paik@richmond.edu

ABSTRACT

The purpose of this study is to investigate whether the voluntary adoption of IFRS affects the value relevance of earnings and equity book value. In particular, we compare the valuation coefficients of earnings and equity book value between the Korean firms which adopted IFRS voluntarily prior to mandatory adoption in year 2011 ('early-adopters') and those who did not adopt IFRS ('non-adopters'). Using a sample of 28 'early-adopters' and 310 'non-adopters' matched by industry over three year period (2008-2010), we find that the valuation coefficients of both earnings and equity book value are larger for the 'early adopters' than the 'non-adopters'. We also find that the value relevance of both earnings and equity book value is larger for the post-adoption period than the pre-adoption period for the 'early-adopters'. These results suggest that the adoption of IFRS has improved the quality of accounting information for Korean firms.

* The corresponding author.

The 3rd Paper Presentation Session (College of Business
Administration Building, Room 163-1032) 2:30 pm – 3:45 pm

**Informed Speculation about Trading Flows:
Price Variability and Trading Volume**

Qiang Lia*, Shanghai University, rstlq@nus.edu.sg

Hua Sun, California State University, San Bernardino, hsun@csusb.edu

ABSTRACT

Many asset markets are composed of three types of participants: professional investors who possess superior skills or knowledge, uninformed private investors, and liquidity investors. In this paper, I analyze the properties of asset price and trading volume when professional investors are able to forecast future trading flows or the trading positions of liquidity traders. Private investors, on the other hand, can only observe the price and make their investment choices accordingly. In a rational expectations model based on Grossman and Stiglitz (1980), the interactions among these three types of investors lead to a set of clear comparative statics that match the results in the empirical asset pricing literature. There are also additional results that can be tested using asset market data.

* The corresponding author.

CAPITAL APPRECIATION BONDS: THE CREATION OF A TOXIC WASTE DUMP IN OUR SCHOOLS

James P. Estes*, California State University, San Bernardino, jimestes@csusb.edu.

ABSTRACT

Capital Appreciation Bonds are a relatively new phenomenon, created as a result of declining property values and the need for increasing amounts of funding by school districts. These bonds are similar to zero coupon bonds and not the more typical current interest bond. They are issued for periods well in excess of the normal 25 year municipal bond. A normal payback for a municipal bond is 2 to 3 times the amount borrowed by the municipal bond issuer. This paper explores the consequences of having issued these capital appreciation bonds for a 40 year period frequently with no insurance, on a non-callable basis with no sinking fund and compounding deferred interest resulting in a payback of 3.5 to 23.4 times the amount borrowed. Effectively this passes on the debt to a new generation and imposes on that generation the consequences of a probable default.

Performance Evaluation of Tax Reform in China——From the Perspective of Efficiency and Equity

Liu Zhe, Shandong University at China,

ABSTRACT

As a landmark reform, China's 1994 Tax Reform, which put tax system building under the need of socialist market economy, has established the basic tax framework of China's current tax system. During its nearly twenty years' operation, this tax system has played an important role in promoting China's economic development, strengthening the macro-control of central government and increasing government revenue. At the same time, China's current tax system based on 1994 reform is far from perfect. The changing circumstances are also testing its adaptability. Therefore, a new round of tax reforms has started from 2004 in China. This paper regards tax reform as a behavior that governments provide public goods and extends the theory of government performance evaluation to the field of tax reform. The performance of tax reform is measured by efficiency and equity. The goal of this paper is to set up a tax-reform-performance evaluation system of China from the perspective of efficiency and equity. Based on this system, this paper evaluates and examines the running effect of 1994 tax reform and the current tax system in China, and also gives some proposals for future tax reform.

Key words : Tax Reform, China, Performance Evaluation, Efficiency and Equity

The 4th Paper Presentation Session (College of Business
Administration Building, Room 163-1032) 4:00 pm – 5:15 pm

Financial Effects of the Right-To-Use Model for Lessees on Capital Market

Hong S. Pak, California State Polytechnic University, Pomona

Byunghwan Lee*, California State Polytechnic University, Pomona,
byunghwanlee@csupomona.edu

ABSTRACT

We examine the association of market response on the capitalization of operating lease for lessees under the right-to-use model. Our tests show that the capitalization of operating lease is negatively related (associated) to the market returns. Furthermore, such relation (association) is more strongly shown in the years since 2008 when FASB (and IASB jointly) have actively been driving the accounting principle change to capitalize the operating lease. We also find that the inclusion of the capitalization of operating lease in the market response regression model increases the explanatory power.

Key words: association, market response, capitalization, operating lease, right-to-use model.

* The corresponding author.

Changes in Accounting Information Quality with the Adoption of IFRS: Korea Case

Kyung Joo Lee, University of Maryland-Eastern Shore, Princess Anne.

John Jongdae Jin *, California State University – San Bernardino, California

Hassan Hefzi, and Byung H. Lee, California State Polytechnic University-Pomona, California

ABSTRACT

The purpose of this study is to investigate whether the quality of accounting information has changed with the adoption of IFRS. In particular, we compare the valuation coefficients and explanatory powers of earnings and equity book value between the periods before and after adopting IFRS. Using a sample of 655 Korean firms, which have adopted IFRS since the year 2011, we find that the value relevance of both earnings and equity book value is larger for the post-IFRS period than the pre-IFRS period. We also find that total explanatory power of earnings and equity book value has increased from pre-IFRS to post-IFRS periods. These results suggest that the adoption of IFRS has improved the quality of accounting information for Korean firms.

The 1st Paper Presentation Session (College of Business
Administration Building, Room 163-2004) 9:00 am – 10:15 am

**Flash Sale Marketing: Effects on hotel Occupancy, RevPAR, and Average
Daily Rate**

Louise Woo, California State Polytechnic University, Pomona

ABSTRACT

Flash sale marketing, a niche market of online travel agencies (OTAs), is the fastest growing segment of e-commerce sales on the Internet. Flash and private sale websites such as SniqueAway, JetSetter, Groupon and Bloomspot offer heavily discounted hotel and travel packages to subscribers via email and social media websites for limited time periods. Hotels sell rooms through these sites in addition to marketing through their individual property and brand websites. Flash sales utilize dynamic pricing strategies pioneered by airlines: Discounted rates must be paid in advance and are nonrefundable. Flash sales gained popularity in 2008, but hotel revenue managers are still learning how to fit them in a hotel channel distribution mix which brings bookings via central reservation systems, global distribution systems, Internet sales and Property Direct contact. Emerging research on this new channel shows flash and private sales increase hotel occupancy, but may increase or decrease RevPAR and Average Daily Rates. Flash marketing may improve brand awareness for small properties. Managers who can track the expenses and revenue for separate booking channels will learn how to balance the mix of channels on a monthly and yearly basis.

Keywords: flash sales, channel distribution, marketing, hotel, occupancy, dynamic pricing.

The Impact of Presence of Historical Reenactors on Cultural Tourists' Perceived Authenticity of Heritage Sites Experience

Brian Rudloff & Joong-Won Lee, California State University, Northridge

ABSTRACT

Living in an era where commodification and authenticity are continually at odds, this study investigates historical reenactors, a now popular medium of interpretation at cultural heritage sites, and their effect on visitors' perceived authenticity of heritage sites. By examining the role historical reenactors play in the tourists' authentication process, the understanding of tourists' cognitive behavior will advance and heritage site managers will gain valuable insight into providing authentic and enriching experiences for visitors. This research will have significant implications for the future utilization of historical reenactors as elements of cultural attractions.

Keywords: perceived authenticity, historical reenactors, living history, commodification, tourists' needs

Notable Napa: Determining the Competitiveness of Wine Tourism Regions from a Supply Perspective

Yvonne Hsiung, Neha Singh & Margie Jones, California State Polytechnic University, Pomona

ABSTRACT

The objective of this research study is to unpack the critical success factors of a prominent wine tourism destination – the Napa Valley – that contribute to the area’s rise, growth, and unique competitiveness at both the domestic and global scales. Napa has gained international acclaim in the wine industry. However, its global reputation is strikingly asymmetrical to the domestic reality of its tourism. In addition, Napa’s land protection policies, though restrictive in nature, have preserved a controlled development which contributes to the region’s name as a prominent wine tourism destination and international brand. The aligned marketing efforts in maintaining and promoting Napa as such a brand are significant to the strategic partnerships amongst suppliers of Napa wine tourism and their respective organizations. The value of Napa’s path of success remains a trove of untapped information that has not fully been realized by research in the hospitality and tourism field. This research seeks to provide both practical value for suppliers of developing regions to gain insight, and theoretical value in contributing to the nascent field of wine tourism research. A conceptual model for success factors will be proposed based on data gathered from 10 interviews with Napa wine tourism suppliers including hotel, government, marketing, and winery organizations.

Keywords: Wine tourism; Destination; Supply; Critical success factors; Napa Valley

The 2nd Paper Presentation Session (College of Business
Administration Building, Room 163-2004) 1:00 pm – 2:15 pm

**What makes Generation Y's Employees Remain in the Hospitality Business?
An Internal Marketing Approach**

Chang Huh, William D. Frye, Niagara University

Myong Jae Lee, California State Polytechnic University, Pomona

ABSTRACT

Turnover in the hospitality industry is an important but pervasive issue due to many factors that influence employees to leave a company. Individuals from Generation Y are entering in the hospitality job market but little is known about their intentions to remain in the hospitality business. The purpose of this study is to examine what factors affect a Generation Y employee's intention to remain with a hospitality company with respect to internal marketing factors. The questionnaire was developed to collect Generation Y's perceptions of the hospitality business. A purposive sampling method was used for the study. Respondents who participated in the study were over 18 years old and must have worked in the hospitality industry. A theoretically proposed model was tested using structural equation modeling (SEM). The results of this study indicated that "work environment" significantly influence Generation Y employees' job satisfaction, followed by "empowerment," "pay," and "relationships with managers," which in turn, influences "employee commitment" and "intention to remain in hospitality business." Internal marketing can be more important motivating factors than extrinsic factors for Generation Y when it comes to determining their intention to remain with a hospitality company. The implications of the study are discussed.

Keywords: turnover, retention, generation Y, hospitality industry, internal marketing, motivational factors

Display rules, Emotional labor and The outcomes of emotional labor

*Yoo Yong Jae**, TongWon University, Korea

Lee Hwa Seok, Korean Airline

ABSTRACT

Emotional display rules can be defined as the standards for the appropriate expression of emotions on the job (Rafaeli & Sutton, 1987). These standards identify how emotions should or should not be displayed in the workplace. Many practitioners and scholars explain that employees must follow these emotional display rules (Diefendorff & Richard, 2003; Ashforth & Humphrey 1993; Ekman 1973). The endeavor of employees to follow the display rules and the process are defined as emotional labor. Then, the emotional labor might lead to emotional dissonance for employees. And it has been argued that the experience of emotional dissonance is stressful for the employees and can lead to psychological symptoms (Hochschild, 1983). With this in mind, this study investigated the relationships among display rules, emotional labor (surface acting, deep acting), emotional exhaustion and job satisfaction. The results of this survey study are as follows:

Firstly, both surface acting and deep acting are influenced by emotional display rules. Therefore, research has confirmed the fact that display rules predict employees' emotional labor.

Secondly, surface acting does not influence job satisfaction while deep acting relates with job satisfaction with the significance level of 0.05.

Thirdly, surface acting does influence emotional exhaustion with significance level of 0.05 while deep acting does not relate to emotional exhaustion.

Fourthly, the emotional intelligence of individuals does moderate the relationship between emotional labor and job satisfaction for both surface acting and deep acting.

Lastly, the emotional intelligence of individuals does not moderate the relationship between emotional labor and emotional exhaustion for both surface acting and deep acting.

Key words: emotional labor, display rules, emotional dissonance, emotional intelligence, emotional exhaustion, job satisfaction.

The 3rd Paper Presentation Session (College of Business
Administration Building, Room 163-2004) 2:30 pm – 3:45 pm

**A model of online shopping engagement process: A multilevel analysis of
website visual quality on online engagement**

Hyunjoo Im, University of Minnesota-Twin Cities*, hjim@umn.edu

Young Ha, California State University, Long Beach

Abstract

In an online shopping environment, visual quality of a website can be a critical determinant of shoppers' perception, emotion, cognition, and behavior. Although researchers explored website visual quality in the past, the majority was focused on design attractiveness (e.g., Karvonen, 2000) or usability of websites (e.g., Casalo, Flavian, & Buinalio, 2008). However, no research studied how visual quality can engage consumers on a website. Although human-computer interaction research proposed a few models to understand the state of intense absorption during online interaction, the conceptualization does not apply to daily online shopping behavior. Therefore, this online experiment study aims to develop a conceptual model of online engagement process in a casual shopping context by reviewing and incorporating previous research from diverse disciplines and to empirically test the model. An online experiment was conducted (N=1209) with mock websites varying the visual quality, and the results mostly supported the proposed model. Product involvement and visual quality of a website predicted components of engagement, enjoyment and attention focus. Visual quality and attention focus negatively influenced perceived time. Moderating effect of website visual quality was also significant; perceived visual quality was negatively related to perceived time only when visual quality of a website is high. The model provided an important insight on how visual quality of a website creates engagement and potentially deepens the level of engagement to distort time perception. Theoretical and practical implications are discussed as well as future study suggestions.

Keywords: Website design, visual quality, engagement, distorted time perception, attention focus, enjoyment

*Corresponding author. For more information, please contact

Learning Effects in South Korean Manufacturing: An Experience Curve Effects Approach

Tarique Hossain, California State Polytechnic University-Pomona*, tmhossain@csupomona.edu
Sang Jin Bae, Korea Institute of Science and Technology Information, Korea
Sung-Soo Seol, Hannam University, Korea

Abstract

Cost reduction is one of the major sources of competitive advantage in business. One source of cost reduction comes from experience. Experience curve pricing rests on the notion that as cumulative production doubles, businesses achieve cost reduction through time saving learning. The existence of experience curve is reported to exist in various industrial sectors (Boston Consulting Group, 1975), however, the literature offers very little evidence of it in international setting. In this paper, we explore experience curve pricing in several industries in South Korea, a major exporting power in global trade of consumer and high technology products. Results show evidence for experience curve in certain industries and product categories but not all the industries investigated. Future research will address why selective evidence is found in Korean industries that are examined. The results should benefit the relevant industries in setting long term competitive and pricing strategies.

Keywords: experience curve, pricing strategy, Korean manufacturing.

*Corresponding author. For more information, please contact