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July 26 - 28

Beijing, China

Dr. Frederick L. Dembowski

Dr. Frederick L. Dembowski

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Location

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July, 26 – 28, 2016

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WELCOMETO THE INTERNATIONAL CONFERENCE ON ORGANIZATIONAL INNOVATION, BEIJING, CHINA



On behalf of the International Association of Organizational Innovation, I welcome you to the 2016 The International Conference on Organizational Innovation. This conference is the largest ever!

It is an honor and a pleasure for me to be in this great city of Beijing and to interact with all of you distinguished scholars and business men & women at this conference! I look forward to exploring the city and the country of China.

The International Association of Organizational Innovation has had a great year! The main activities of the Association are hosting this conference and publishing *the International Journal of Organizational Innovation*. As a presenter at this Conference, you are automatically included as a member of the Association.

Besides hosting this conference, I also serve as the Editor of the *International Journal of Organizational Innovation*, the journal sponsored by this Association. I encourage all of you to consider submitting the papers that you are presenting at this conference for publication in the journal (You will receive a 33% discount if you submit the paper you present at this conference - see the details in your Conference Materials). Another professional opportunity available to you is to serve as an Assistant Editor for the journal and review paper submissions to the journal. Send an email to me if you are interested in serving as an Assistant Editor of IJOI.

I would like to thank all of the people who worked very hard to organize this conference. I know the effort that they had to use in getting this conference together. I especially thank the Administrators, Faculty and Staff of the College of Economics and Management at the Beijing University of Chemical Technology for hosting this conference. I would also like to thank my colleague and former student, Dr. Chich-Jen Shieh for his hard work organizing this conference.

I look forward to meeting you all and working with you over the next few days.

For those of you who have published in the Journal or serve as an Assistant Editor, please come up and introduce yourself to me.

Please take the opportunity to explore this exciting city and country. Enjoy the conference!

Dr. Frederick Dembowski,

President, The International Association of Organizational Innovation

Editor, The International Journal of Organizational Innovation

Hibernia National Bank Endowed Professor, Southeastern Louisiana University

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KEYNOTE SPEAKER



Dr. Sydney Engelberg grew up in South Africa and attended the University of the Witwatersrand (Wits), the Hebrew University in Jerusalem and SUNY/Buffalo.

Dr. Sydney Engelberg is currently on the faculty of the Schwarz Program in Non-profit Management and the Community Leadership and Management Program, both at the Hebrew University; Associate Professor at Gratz College, Philadelphia and the Lander Institute in Jerusalem.

Dr. Sydney Engelberg has been Master of a Residential University College in Sydney, Australia; Founding Director of the Program in Community Psychology at the University of New South Wales, Sydney, Australia; taught at Clarke University, USA and Derby University, England.

Dr. Engelberg has his own consulting company and current and past clients include the World Bank, UNICEF, IBM, Microsoft, Intel and the Neumo-Ehrenberg Group of Companies, amongst others. Dr. Engelberg has published widely and run Marketing and Executive training workshops in Latin America, Europe, Great Britain, Australia, Israel, Canada and the USA.

ACKNOWLEDAGES



The 2016 ICOI- International Conference of Organizational Innovation was held in Beijing University of Chemical Technology, Beijing. Beijing is one of the world's great ancient capitals, Beijing is a must-see because it is home to some of the finest remnants of China's imperial past Beijing is brightened by its glorious past, but is by no means struck in the past. Behind its rich and complex historical tapestries, everyday life unfolds with bewildering variety. From the commanding austerity of the Forbidden City to the hectic bar street at Sanlitun, Beijing is overflowing with a unique charm, beckoning visitors from around the world to lose themselves in the furious pace. 2016 ICOI brings together the best of this city at Beijing to present and have academic discussion.

The 2016 ICOI conference papers were peer reviewed for technical and editorial content by a dedicated committee of referees. Nearly 138 papers were accepted for oral presentation at 2016 ICOI. These papers were presented in a single track of 28 sessions spanning two days, promoting extended interaction between the various Innovational disciplines. In addition to the contributed papers, 2 invited keynote address : 1 Dr. Sydney Engelberg, Hebrew University, Jerusalem, 2 Dr. Fred Dembowski, President of International Association of Organizational Innovation, USA are given. I also thank all authors and participants for their contributions.

Beijing is the centre of Chinese culture, and it has grown to become the political, social and economic center of China , you can enjoy gourmet food and different cultures. Moreover , this is a city of order and efficiency. Finally I wish all of you to have a wonderful time in Beijing, China. Please let us know if there is anything we can do to make your stay more enjoyable.

Prof. Dr. Shieh, Chich-Jen (Charles)

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2016The International Conference on Organizational Innovation Agenda

DATE : July, 26 2016, Tuesday

LOCATION : Hall of Meeting Center , Beijing, China

TIME	ACTIVITY	PLACE
08 : 30—09 : 00	REGISTRATION	
09 : 00—10 : 00	<p><u>Conference Host :</u> Dr. Alex Maritz: La Trobe University, Australia</p> <p><u>Conference Grand Opening Speech :</u> 1. Prof. Dr. Frederick Dembowski, President of International Association of Organizational Innovation. USA 2. Prof. Dr. Dian Agustia, Universitas Airlangga, Indonesia</p> <p><u>Honored VIP Speech :</u> 1. Dr. Yuming Zhai, Shanghai Institute of Technology, China 2. Dr. Harold G. Kaufman, NYU Tandon School of Engineering, USA 3. Dr. Alex Maritz: La Trobe University, Australia 4. Dr. Muhammet USAK, Gazi Universitesi, Turkey 5. Dr. Zh. Kalitchin, Bulgaria 6. Dr. Bal Kishan Dass, Department of Mathematics, University of Delhi, India 7. Dr. Tomáš Tichý, VŠB-TU Ostrava, Czech Republic 8. Dr. Szu-Yuan Sun, National Kaohsiung First University of Science, Taiwan 9. Dr. Chih Yuan Huang, Kao Yuan University, Taiwan</p>	Hall of Conference Center
10 : 00—10 : 30	Tea Time and Academic Exchange	
10 : 30—11 : 15	<p>Keynote Presentation (1) Speaker : Dr. Sydney Engelberg Topic: Master Class Workshop on "Paradoxical Leadership in Organizational Innovation and Change."</p>	Hall of Conference Center
11 : 15—12 : 00	<p>Keynote Presentation (2) Speaker : Dr. Frederick L. Dembowski Topic: Business and Education: A Symbiotic Relationship</p>	Hall of Conference Center
12 : 00—13 : 30	Lunch	

DATE : July, 26 2016, Tuesday

LOCATION :

Room I , Beijing China

Time	Topic of Seminar	Country/Region
	Chair : Dr. K.K. Rajendran, Bharathidasan University ,South India	
Session 9.1 13 : 30 14 : 50	1.16R-005: Analysis of Causes, Risk and Impact Using Integration Fuzzy Analysis, Bowtie-Analysis, and Fishbone Diagram (Case Study on Manufacturer 3 KG LPG CV. Maju Mapan)Roles of Perceived Person-Environment Fits	Abdurrahman Faris, Indonesia
	2.16R-143: Innovation Process Design	Akeem Abujade, South African
	3.6R-022: Regional Development Strategy of People In Industry (A Case Study in three District of Cianjur Regency)	Yuyus Yudistria, Indonesia
	4.16R-123: A Correlative Analysis on Mental Health and Examination Stress of Higher Secondary Students	K.K. Rajendran, South India
	5.16R-150: A Study on Metacognition and Teaching Competency among Students of Colleges of Education	K.K. Rajendran, South India
14 : 50 15 : 00	Tea Time	
	Chair : Dr. Masmira Kurniawati, Universitas Airlangga, Indonesia	
Session 9.2 15 : 10 16 : 30	1.16R-126: Banking Market Competition And Corporate Innovation: State Level Evidence from U.S	Lin Tian, U.K
	2.16R-132: Long-Term Orientation, Marketing and Technological Capabilities, and Social Responsibility in New Ventures	Taiyuan Wang, Spain
	3.16R-010: The Identification of The Determinant Factors for Water Losses (Non Revenue Water- NRW) During Distribution Process Using Cause-Effect Diagram and Analytical Hierarchy Process (AHP) at the Local Water Supply Company (PDAM) Delta Tirta in Sidoarjo	T. Aria Auliandri , Indonesia
	4.16R-183: Financial Marketization, Audit Opinion and the Cost of Debt: Evidence from China	Fang fang Han, China
	5.16R-069: Effect of Autotelic and Haptic Clueson Product Evaluation	Masmira Kurniawati, Indonesia
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Effect of Autotelic and Haptic Clues on Product Evaluation

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Abstract

As a part of buying decision process, consumers usually touch the product of interest to get more information. Consumers touch the product as part of their habit as well without intending to buy the product, but still make evaluation from the touch. Peck dan Childers (2003a) stated that every individual has different purpose of touching product (different haptic orientation), which are instrumental and autotelic. The perception created as the result of input processing by various subsystem inside an individual, including muscles, tendons, and joints is called haptic perception (Krishna dan Morrin, 2008). The packaging, product material, or any other product's physical structure that are touched by consumers called haptic clues. This paper investigates the effect of individual's autotelic level and haptic clues on consumers' evaluation of the product. This research uses 120 students as participants. Based on analysis result, managerial implications will then be delivered.

Keywords: autotelic, haptic clues, product evaluation

1. Introduction

In buying decision process, consumers will come to a decision after considering all available criteria such as brand name, product attributes, product quality, or price. One way consumers could evaluate a product is by touching it. Touching product will help in buying decision as the sense of touch will supply consumers with information about shape, texture, product's strength, and any other informations (Vieira, 2013).

Scholars called the information available through this sense of touch as haptic information. Wolfe, Kluender, and Levi (2006) define haptic perception as perception created from input processing activity by various subsystem inside an individual such as muscles, tendons, and joints. Further, Peck dan Childers (2003a) stated that each individual has different haptic orientation or need for touch (NFT). NFT referred to preferences in digging and utilizing information gathered from haptic system. Hence, haptic orientation is individual differences that reflect one's preferences or motivation to touch. Individual with high NFT will more confident in evaluating a product when he/she touches the product and become frustrated when not allowed to touch the product (Peck and Childers (2003a).

Peck and Childers (2003b) also state that there are two dimensions of NFT: instrumental and autotelic. Instrumental dimension is related to analytical thinking initiated by a goal that explicit in nature that will trigger a certain behavior (the goal is usually in the form of product buying). While autotelic initiated by preferences and related to thinking and compulsive feeling and affection and also not related to unmet goal. Hence, instrumental dimension is related to certain buying situation while autotelic is related to individual preferences in general to get haptic input from a product without any special purpose to buy a particular product.

It is important for marketers to understand that haptic clues have important meaning for consumers in evaluating a product which in turn will influence their buying decision. Consumers will perceive that a bottled water in flimsy container has a bad quality and bad taste as well. Logically, the quality of the container will irritate consumers' sense of aesthetic, but not affect the quality of the water itself. Krishna and Morris (2008) called it as nondiagnostic haptic clues. Nondiagnostic haptic clues referred to haptic clues which objectively irrelevant with consumers' product evaluation, vice versa. This research will focus on nondiagnostic haptic clues.

With the growing phenomenon of online shop, consumers with high NFT will become frustrated when they cannot touch the product they want to buy so that they will doubt their own judgement and consequently cancel the buying. Hence, this research investigates whether haptic clues delivered verbally will affect consumers' product evaluation.

2. Literature Review and Hypothesis

2.1 *Need For Touch* (NFT)

Peck and Childers (2003b) define *Need for Touch* (NFT) as preference in digging and utilizing information gathered from haptic system. This means consumers gather information about product and use it to make a better product evaluation. Peck and Childers (2003b) further stated there are two types of haptic information that consumers dig from a product: instrumental and autotelic. Holbrook and Hirschman (1982) explained that instrumental information is more intrinsic and detail about the product regarding product performance

evaluation triggered by a certain goals, i.e. product buying. Therefore, instrumental dimension is pre-buying activity by touching product with specific goals. This dimension involves customers touching product to get more information or analyzing physical structure of a product.

On the other hand, information from autotelic is more about sensoric experience and hedonic evaluation of a product. Therefore, the touching activity in autotelic dimension does not relate to sensory aspect, there is no specific goal to buy product, it is more like a spontan investigation (Holbrook dan Hirschman, 1982). Peck and Childers (2003b) posited that this dimension is hedonic where consumers feel that touching is fun or compulsive, an automatic activity without any specific goal.

2.2 Hypothesis Development

Peck and Childers (2003a) found that individuals with high NFT tend to touch objects and good at using touch to get information. They also found that individuals with high haptic orientation possess higher chronic accessibility in storing haptic information but less in cognitive processing capacity. Also, they have richer mental representation regarding haptic information so that enable them to understand diagnostic information better. That is why Krishna and Morrin (2008) concluded that individuals with high autotelic will process haptic information more comprehensive than low autotelic individuals. However, as high autotelic individuals use their cognitive capacity less in processing haptic information but possess higher ability in evaluating diagnostic haptic input, high autotelic individuals will ignore nondiagnostic haptic input and focus more on diagnostic information.

On the contrary, low autotelic individuals do not process haptic information too much. They use broader resources when retrieving haptic information from their memory, so that there is only a little of cognitive capacity left to focus on other informations. They also do not easily recognize diagnostic haptic information. Hence, low autotelic individuals will easily affected by nondiagnostic haptic information (Krishna and Morrin, 2008).

Simply stated, high NFT individuals love to touch and feel objects and will do it more frequent than individuals who do not love to touch. As time goes by, high NFT individuals will acquire skills to understand when a touch is diagnostic and when is not, so that high NFT individuals will understand whether the touch they feel related with product quality or not. Therefore, they will realize that haptic quality of a sweater, for instance, will affect the quality of that sweater but not be affected by nondiagnostic haptic input, like store lighting. Thus:

Product evaluation by individuals with low autotelic will be worse on a product that has a low quality nondiagnostic haptic clue, but not in individuals with high autotelic.

2.3 Research Model

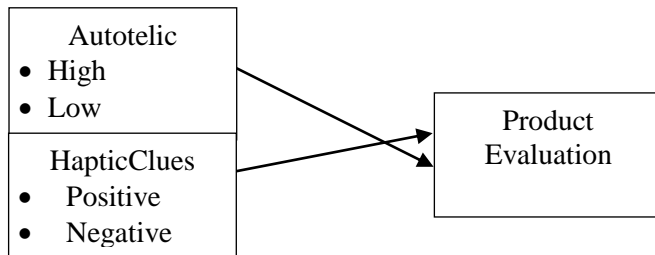


Figure 1
Research Model

3. Research Method

3.1 Research Design and Sample

This paper uses experimental design to investigate causality between independent and dependent variable. To test the effect of independent variable on dependent variable, independent variable will be manipulated. Participants are 120 students of Vocation Faculty from a university in Surabaya who are willing to be participants for extra credits. Data will be analyzed using ANOVA. ANOVA is independent technique used to measure how much two variables change together and how strong the relationship between the two variables (Hair, Bush, and Ortinau, 2006).

3.2 Variable Measurement

Independent variables are Autotelic and Haptic Clues while dependent variable is Product Evaluation. Autotelic level is measured using instrument developed by Peck and Childers (2003b), i.e. NFT scale. NFT scale is use to categorize participants in low or high autotelic. With median 3 on a scale of 5, score above 3 indicates that an individual is in high autotelic category, vice versa. Haptic clues used in this research is bottled water packaging delivered verbally. Product evaluation is measured by asking participants about quality of mineral water.

4. Result and Discussion

This experiment uses 2 (autotelic: highvs. low) x 2 (haptic clues description: thick/solid plastic bottle vs. thin/flimsy plastic bottle), between subject. Nondiagnostic haptic clues delivered is in the form of description of plastic used as the bottle of mineral water product. Participants are asked to read description below:

A bottle mineral water company has just launched new product. Please read the product review below and answer the questions.

Product description delivered as follows:

The water of this bottled mineral water comes from a spring that flows naturally to the surface of the earth. This water contains minerals required by the body, such as calcium, magnesium, and potassium. This mineral water also contains fruit juice added with flavorings and vitamins. A series of trials conducted independently demonstrated that this product has advantages over other bottled mineral water and similar products. The test also revealed that bottles used noticeably thinner (thicker) and more flimsy (solid) than other brands.

After reading the description, participants then are asked to evaluate the quality of the bottled mineral water in scale of 5 (product quality is very good – bad). The result found that participants on a low autotelic groups, product quality was rated higher for products that are packaged in thicker/solid bottle ($M_{\text{thick}} = 4.82$; $M_{\text{thin}} = 3.71$; $p = 0.001$). While in high autotelic group, evaluation of product quality is not affected by the condition of the product packaging.

This study showed that for low autotelic participants, visualize drinking from a thin/flimsy bottle will affect their assessment of the quality of the product. However this is not found in the group of high autotelic participants. Hence this result support the hyposthesis.

5. Conclusion and Implication

The results of this study confirm the results of previous studies that individuals with high NFT is affected by the sense of touch when the haptic input is diagnostic. This study also found that the poor presentation of product packaging that are nondiagnostic may affect the evaluation of product quality. This perceptual transfer is particularly the case with low autotelic individuals.

Given the importance of consumer perceptions about product quality of, producers should understand the factors used by consumers to evaluate product quality. This study demonstrated that low autotelic consumers use product packaging as a sign of the product quality, while for consumers with high autotelic, product packaging does not affect the quality of the product itself. It is thus very important for producers to pay more attention to product packaging design as it affect consumersintention to buy.

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