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Dr. Laurent Josien, SUNY Plattsburgh

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UNDERSTANDING INFLUENCER MARKETING AND POWER OF INFLUENCERS: KEY INSIGHTS ON CHALLENGES, METRICS AND REALITIES

Ahmed Mohammed Amjad, Missouri State University
Ismet Anitsal, Missouri State University
Melek Meral Anitsal, Tennessee Tech University

ABSTRACT

This research paper delves into the realm of influencer marketing, scrutinizing its inherent challenges, measurement metrics, and practical realities. Through an extensive analysis of industry dynamics and scholarly literature, the study aims to unravel the complex landscape of influencer-brand relationships. Focusing on transparency, authenticity, and regulatory compliance, we examined the critical aspects influencing consumer trust and brand engagement within the context of influencer collaborations. Additionally, the research investigates the diverse measurement methodologies and key performance indicators (KPIs) used to quantify influencer marketing initiatives' effectiveness and return on investment (ROI). By exploring these challenges and metrics, the study provides a comprehensive overview of the complexities surrounding influencer marketing. Ultimately, it seeks to offer invaluable insights to marketers, brands, and influencers navigating the dynamic terrain of contemporary digital marketing.

INTRODUCTION

In this research context, influencers are individuals who leverage their presence on social media, blogs, YouTube channels, and other digital platforms to cultivate substantial online communities. These individuals can impact their followers' beliefs, attitudes, and behaviors, who often look up to them as role models, trendsetters, or experts in particular niches (Kaplan & Haenlein, 2010). Influencers can vary widely in their chosen domains, including fashion, beauty, lifestyle, technology, travel, and countless other areas of interest. Influencers are often celebrated for their expertise, charisma, or relatable personas and have harnessed the power of online platforms to amass significant followers and devoted fans.

In an era of information overload and ad fatigue, influencers have become trusted sources of guidance, inspiration, and validation for their audiences. The power wielded by influencers extends far beyond mere online popularity. They are instrumental in shaping consumer preferences, facilitating brand engagement, and driving purchasing decisions (Brown & Hayes, 2018). Influencers bridge the gap between brands and consumers through authenticity and relatability, often establishing trust-based relationships with their followers (Smith, 2019). These relationships, characterized by personal connection, elevate influencers to positions of considerable sway and authority (Lee & Youn, 2019).

Influencer marketing, as a strategic approach, harnesses the influence and reach of these individuals to promote products, services, or messages. It is a dynamic and increasingly central component of contemporary marketing strategies for both brands and marketers (Hsu & Wang, 2020). This strategy involves partnering with influencers to co-create content that resonates with their audience, capitalizing on their credibility and rapport. Influencer marketing transcends traditional advertising approaches by offering a more authentic and personal connection between brands and consumers (Rajagopal, 2018).

Influencer marketing has completely changed people's understanding of advertising practices. The utilization of social media influencers to endorse products and services has become a staple of brand promotion in the digital age (Álvarez-Monzoncillo, 2023). The immense appeal of influencers, with their expansive and engaged follower bases, has led to a transformative shift in how brands connect with their target audiences. Rather than relying solely on traditional advertising channels, brands are increasingly seeking out influential individuals whose endorsements can resonate more deeply with their target demographics (Fischer, 2020). This shift represents a recognition of the changing dynamics of consumer behavior, where trust, authenticity, and relatability are prized attributes in brand-consumer interactions. While the ascent of influencer Marketing has been impressive, it has not been without its challenges, and a comprehensive understanding of these potential issues is imperative for practitioners, scholars, and stakeholders alike.

Advertisers are expected to spend more than 10 percent of their marketing budget on influencer marketing (José et al., 2023). Estee Lauder has committed 75 percent of their marketing budget toward influencer marketing (Pearl, 2019). In 2021, 74% of marketers intended to allocate budgets to Influencer Marketing campaigns (Influencer et al., 2021). Platforms like Instagram, the most popular center of influencer activity, have witnessed a surge in sponsored posts, reaching 6.1 million in 2020, up from 3.7 million the previous year (InfluencerDB, 2021). These numbers underscore brands' substantial investments in this strategy, emphasizing the importance of addressing its inherent issues.

Transparency and authenticity are the cornerstones of influencer partnerships. However, a UK Advertising Standards Authority survey found that 61% of consumers believe influencer endorsements lack transparency about their commercial relationships (ASA, 2019). Instances of influencers purchasing followers and engagement have tarnished the credibility of the industry (Godey et al., 2020). Influencers may promote products or services without genuine enthusiasm, leading to losing trust among their followers (Brown, 2019). Engagement rates can vary significantly among influencers. Brands and organizations may find it difficult to predict the level of engagement and impact an influencer will have on their campaign (PwC, 2018). As we will discuss in detail soon, these issues and many more raise pertinent questions about the integrity of influencer collaborations and the reliability of their recommendations.

One of the most significant challenges is measuring return on investment (ROI) and the effectiveness of influencer campaigns. Despite substantial budgets allocated to influencer partnerships, a survey by Influencer Marketing Hub (2021) revealed that 58% of marketers still consider measuring return on investment their top concern. The diversity of goals, metrics, and key performance indicators (KPIs) used by brands complicates standardized ROI measurement practices (De Veirman et al., 2017). Attributing direct sales to influencer campaigns remains complex (Broussard & Joseph, 2017). As influencer marketing becomes more common, some audiences may become fatigued by constant promotions, reducing effectiveness (Marketing Dive, 2020).

In addition to authenticity and measurement challenges, navigating the landscape of disclosure regulations and ethical concerns poses a challenging hurdle for brands and influencers alike. Various jurisdictions have implemented rules governing the disclosure of paid partnerships and endorsements (Federal Trade Commission, 2021). Failure to comply with these regulations carries legal consequences and risks damaging a brand's reputation (Lee & Watkins, 2016). The complexities of evolving rules and the need for transparency add complexity to the already intricate world of Influencer Marketing.

This research delves into the multi-layered world of influencer marketing, focusing on understanding and uncovering the intricacies of its successes and failures. As brands and marketers allocate substantial budgets to harness the power of influencers, it is crucial to scrutinize the underlying dynamics to discern what works and what does not. This study seeks to address a series of pivotal questions. We will see what constitutes success in influencer marketing and how it can be measured beyond mere likes and shares. A detailed discussion of the inherent challenges, such as influencer fraud, diminishing authenticity, and ethical concerns that threaten to undermine its effectiveness, will help shape the managerial implications included. This research will also provide a model of influencer marketing and some propositions. By critically examining the challenges, metrics, and realities of influencer marketing, we aim to offer a wide-ranging understanding and managerial implications that can guide businesses, marketers, and influencers themselves in navigating this evolving terrain.

LITERATURE REVIEW

In the realm of influencer marketing, the concept of "influence" has been redefined. It is no longer solely associated with celebrities and traditional media figures. Instead, influencers show their influence through niche expertise or relatable personas, which fosters more profound connections with their followers (Brown & Hayes, 2018). Their power lies in their ability to shape opinions, preferences, and purchasing decisions within their dedicated communities. The practice of influencer marketing involves partnering with influencers to co-create content that resonates with their audiences. This content is often more authentic and personal than traditional advertising, making it highly effective in engaging consumers (Smith, 2019). Brands collaborate with influencers to leverage their credibility and rapport, creating trust-based relationships that are invaluable in the contemporary marketing landscape (Lee & Youn, 2019).

Measuring success in influencer marketing campaigns has been a topic of considerable debate and research (Hajli, 2014). Initially, success was assessed primarily through superficial metrics such as likes, shares, and comments on social media platforms (De Veirman et al., 2017). However, as the industry matures, there is a growing recognition of the need to move beyond these metrics. Recent studies emphasize the importance of evaluating influencer marketing's impact on brand equity, purchase intent, and actual sales (Khamis et al., 2017; Perez et al., 2019). These metrics offer a quick snapshot of an influencer campaign's immediate impact, but they often fail to capture the full spectrum of its influence and effectiveness (Khamis et al., 2017). As a result, there has been a growing recognition within the industry that the actual value of influencer marketing extends far beyond these surface-level engagement indicators.

The measurement of influencer marketing success also encompasses various parameters, from engagement rates, reach, and impressions to conversion tracking and customer lifetime value (Kaplan & Haenlein, 2010). However, accurate measurement in influencer marketing is complex due to the diversity of platforms and audience behaviors. Rigorous methodologies are required to ensure reliable measurement and meaningful analysis (Chung & Cho, 2017). Recent research has sought to redefine success in influencer marketing by emphasizing more meaningful and long-lasting outcomes (Perez et al., 2019). One critical aspect that researchers are increasingly focusing on is the impact of influencer campaigns on brand equity. Brand equity encompasses consumers' perceptions of a brand's value, credibility, and overall reputation (Aaker, 1991). Influencer marketing has the potential to significantly influence these perceptions by associating the brand with the influencer's image and values (Khamis et al., 2017).

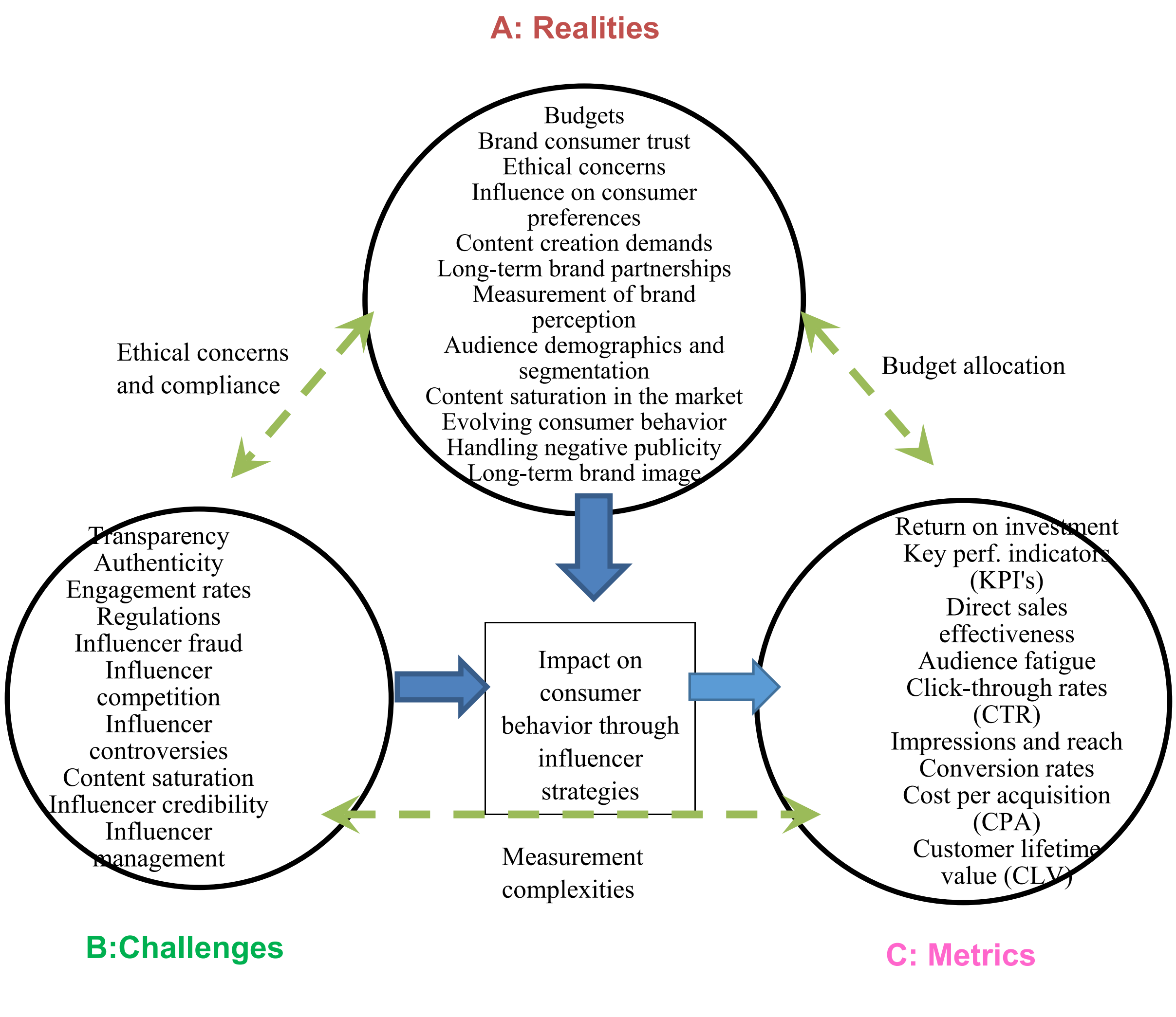
Figure 1 illustrates the interactions among influencer marketing realities, challenges, and metrics while seeking an impact on consumer behavior through influencer strategies. Budget allocations, measurement complexities, ethical concerns, and compliance continuously shape and reshape influencer strategies' realities, challenges, and metrics. It is essential to acknowledge the inherent realities that impact the effectiveness and dynamics of this marketing strategy. In the next section, we will describe realities, challenges, and metrics as summarized in the literature.

Realities

At the forefront, budgets are critical, reflecting the financial resources allocated to influencer collaborations (Duffett, 2015). This financial commitment is intrinsically linked to the perceived value and potential return on investment (ROI) associated with influencer partnerships (Cvetković & Vignali, 2020). Budget considerations significantly impact the scope and execution of influencer marketing campaigns. Allocating sufficient financial resources for collaborations with influencers is imperative for brands to reach and engage target audiences effectively (Hajli et al., 2019). Research indicates a positive correlation between budget allocation and the success of influencer-led initiatives (Cvetković & Vignali, 2020). An optimal budget ensures access to influencers whose reach aligns with the brand's objectives, contributing to campaigns' overall effectiveness and reach.

Brand consumer trust emerges as a cornerstone of influencer marketing effectiveness, with consumers relying on influencers as credible sources of information and recommendations (Hajli et al., 2017). Cultivating trust involves selecting influencers whose values align with the brand's ethos and ensuring authenticity and transparency in influencer-brand collaborations (De Veirman et al., 2017). Studies highlight the pivotal role of trust in driving consumer engagement and purchase intentions in influencer-led campaigns (Chen & Zhao, 2020). Establishing and maintaining this trust emphasizes the need for authenticity and transparency (De Veirman et al., 2017; Chen & Zhao, 2020). Ethical concerns constitute a significant reality, encompassing issues of transparency and disclosure. Adherence to ethical practices is vital for sustaining consumer trust and the reputation of brands and influencers (Jin, 2017; Freberg et al., 2011). These concerns are intertwined with the broader challenge of ensuring transparency in influencer-brand relationships (Chen & Zhao, 2020). Adhering to ethical norms and guidelines provides the integrity and credibility of influencer-brand relationships, fostering positive brand perceptions among consumers.

FIGURE 1: A MODEL OF INFLUENCER MARKETING



Source: Cvetković, B., & Vignali, C. (2020), De Veirman, M., Cauberghe, V., & Hudders, L. (2017), Freberg, K., Graham, K., McGaughey, K., & Freberg, L. A. (2011), Hajli, N. (2017)

The influence on consumer preferences highlights the power of influencers to shape consumer choices and purchasing decisions. Research suggests that influencers are pivotal in shaping consumer attitudes and behaviors, acting as opinion leaders in specific niches (Mangold & Faulds, 2009). As influencers navigate these realities, content creation demands become apparent, reflecting the pressure to produce engaging and authentic content that aligns with brand messages and audience expectations (De Veirman et al., 2017). This demand is closely tied to the challenge of maintaining long-term brand partnerships, emphasizing the need for sustained and authentic collaborations (Hajli et al., 2019). Influencers' recommendations and endorsements impact consumer perceptions of products and services (Mangold & Faulds, 2009). Understanding their influence on consumer preferences allows brands to leverage this impact effectively. Brands must align influencer content with consumer needs and preferences to maximize its persuasive effect (Hajli, 2017).

Measurement of brand perception is a vital component in assessing the impact of influencer campaigns on consumer attitudes and sentiments (Möller et al., 2020). This reality emphasizes the need for brands to employ effective strategies for gauging how influencers contribute to shaping the overall perception of their brand. Handling negative publicity is inevitable, as influencer campaigns may face criticism or controversy. Successful management of negative publicity mitigates potential damage to brand image and consumer trust (Hajli et al., 2019) that is closely tied to considerations of the long-term brand image, as influencers can significantly impact the overall perception of a brand over time.

The demand for engaging and authentic content places significant pressure on influencers. They try to balance brand messaging with audience expectations while maintaining authenticity (De Veirman et al., 2017). Influencers are tasked with creating content that resonates with their audience while aligning with brand objectives (Smith & Yang, 2017). Successful influencers adeptly navigate these demands, creating compelling content that drives engagement and maintains audience interest.

Understanding audience demographics and segmentation becomes crucial in this intricate web of realities. Tailoring influencer campaigns to specific audience segments is essential for achieving relevance and resonance (Smith & Yang, 2017). Simultaneously, influencers must grapple with challenges arising from content saturation in the market, emphasizing the need for differentiation and creativity to cut through the noise (Kim & Lee, 2017). As evolving consumer behavior reshapes the digital landscape continually, influencers must adapt their strategies to align with changing preferences and trends. Research suggests that influencer marketing effectiveness is linked to understanding these evolving consumer behaviors (Hajli, 2017).

Challenges

Transparency is a fundamental challenge, compelling influencers to disclose their affiliations with brands to maintain trust and compliance with regulatory guidelines (Chen & Zhao, 2020). Simultaneously, authenticity remains a crucial hurdle, demanding genuine, relatable content creation to preserve influencer credibility and resonate with audiences (De Veirman et al., 2017). Engagement rates pose a persistent challenge as influencers strive to maintain high levels of interaction and interest from their audience to ensure the efficacy of marketing campaigns (Hajli et al., 2019). Amidst a landscape fraught with diverse regulations across different regions, regulations have become a significant concern, necessitating adherence to legal requirements governing influencer marketing practices (Freberg et al., 2011).

The threat of Influencer Fraud looms large, with the emergence of fake or untrustworthy influencers compromising the integrity and effectiveness of campaigns (Möller et al., 2020). Moreover, the intensifying influencer competition exacerbates the challenge of identifying and collaborating with the right influencers who align with brand values and target audiences, amplifying the complexity of influencer selection (Hajli et al., 2017). Influencer controversies further complicate matters as influencers navigate potential conflicts or public scrutiny that can impact brand associations and consumer trust, necessitating adept crisis management (Hajli et al., 2019).

The pervasive content saturation adds to the challenges, requiring influencers to break through the clutter with innovative and engaging content strategies to capture audience attention amidst the overflow of information (Kim & Lee, 2017). Maintaining and evaluating influencer credibility emerges as a crucial hurdle, demanding brands to assess and ensure the authenticity and trustworthiness of influencers before engagement (De Veirman et al., 2017). Lastly, effective influencer management becomes paramount, encompassing relationship building, communication, and ongoing collaboration to sustain fruitful partnerships between brands and influencers (Hajli et al., 2019).

Navigating the complex regulatory landscape in influencer marketing requires vigilance and adherence to diverse guidelines. Regulations differ across regions, with varying disclosure requirements and legal frameworks governing influencer-brand collaborations (Freberg et al., 2011). The FTC in the United States mandates clear disclosures, while other regions might have different disclosure standards. Complying with these regulations is vital to maintaining ethical practices and mitigating legal risks associated with non-compliance.

The prevalence of influencer fraud poses a significant challenge in ensuring the authenticity and credibility of influencers. Fake followers, inflated engagement metrics, and fraudulent practices compromise the effectiveness of influencer marketing campaigns (Möller et al., 2020). Brands must employ robust vetting processes and utilize third-party tools to detect and avoid collaborating with inauthentic influencers, safeguarding the integrity of their campaign

Metrics

Measuring the impact of influencer campaigns on brand perception is vital for assessing their effectiveness. Metrics such as sentiment analysis, brand mentions, and surveys aid in gauging changes in consumer perceptions and attitudes toward the brand post-campaign (Möller et al., 2020). Return on investment (ROI) is a fundamental metric in influencer marketing, measuring the financial returns generated compared to the investment made in influencer collaborations. Calculating ROI involves analyzing the revenue generated against the expenses incurred in executing influencer campaigns (Cvetković & Vignali, 2020). It serves as an indicator for brands to evaluate the profitability and effectiveness of their investments in influencer marketing initiatives.

Key performance indicators (KPIs) encompass a range of measurable goals and metrics that brands establish to assess the success of influencer marketing campaigns (Hajli, 2017). These metrics are specific to campaign objectives and may include performance indicators such as engagement rates, reach, conversions, and brand sentiment analysis (Smith & Yang, 2017). Setting and tracking KPIs allow brands to gauge the progress and impact of their influencer-driven initiatives. Influencer marketing often aims to drive direct sales for products or services promoted by influencers. Evaluating direct sales effectiveness involves tracking and analyzing the sales generated by influencer-led promotions (Djafarova & Rushworth, 2017). Analyzing direct sales effectiveness involves tracking and attributing sales directly generated through influencer-led promotions (Djafarova & Rushworth, 2017). Understanding the correlation between influencer content and actual sales aids brands in evaluating the tangible return from their investment in influencer collaborations.

Audience fatigue refers to an audience's declining interest or engagement due to repetitive or excessive exposure to influencer-generated content. Measuring audience fatigue involves analyzing audience behavior, such as decreasing engagement or increased unfollow rates (Kim & Lee, 2017). Managing audience fatigue is critical to maintaining sustained audience interest and preventing brand fatigue.

Click—through rates (CTR) measure the percentage of users who click on a specific link or call to action in influencer-generated content. It serves as a metric to evaluate the effectiveness of content in driving traffic or conversions to a brand's website or landing page (Hajli, 2017). Higher CTRs signify compelling content that resonates with the audience. Impressions denote the total number of times influencer content is displayed to users, while reach measures the unique number of users who view the content. These metrics indicate the extent of content exposure and the potential audience reached by influencer campaigns (Smith & Yang, 2017). Understanding impressions and reach helps gauge influencer-generated content's overall visibility and potential impact. Conversion rates measure the percentage of users who take a desired action, such as purchasing or signing up, after engaging with influencer content (Cvetković & Vignali, 2020). It directly reflects the effectiveness of influencer-driven content in driving specific actions or behaviors desired by the brand.

Cost per acquisition (CPA) calculates the average cost incurred to acquire a customer through influencer marketing efforts. It involves dividing the total campaign costs by the number of customers acquired through influencer-generated content (Hajli, 2017). This metric helps assess influencer campaigns' efficiency and cost-effectiveness in acquiring new customers. Customer lifetime value (CLV) estimates the total value a customer brings to a brand throughout their relationship. It involves predicting the potential revenue a customer will generate over their lifetime as a result of influencer-led interactions and purchases (Djafarova & Rushworth, 2017). Understanding CLV helps prioritize high-value customers and optimize influencer strategies to maximize long-term value.

The relationship between realities and challenges emphasizes the necessity to balance brand objectives with influencer authenticity, a vital aspect of maintaining consumer trust (De Veirman et al., 2017). The relationship between the challenges and metrics reveals the interdependence of challenges like authenticity and transparency with measurable outcomes, such as ROI (Cvetković & Vignali, 2020). The realities and metrics link highlights the connection between the actual impact of influencer marketing on brand perception and the ability to measure this impact through metrics like ROI (Möller et al., 2020).

Realities and Challenges impact consumer behavior through influencer marketing activities. Companies monitor and manage these changes through the metrics. This discussion suggests the following propositions.

P1: *Strategically adapting to influencer marketing realities ensures lasting brand resonance amid evolving consumer landscapes through effective budget alignment, trust-based partnerships, ethical navigation, and audience-centric content that will likely influence brand metrics.*

P2: *Strategically navigating influencer marketing challenges enables authentic campaigns, ensuring compliance, fighting fraud, and fostering genuine partnerships that resonate amidst a dynamic digital landscape that will likely influence brand metrics.*

P3: *Strategic use of diverse metrics empowers managers to measure ROI, track KPIs, assess direct sales impact, manage audience fatigue, and optimize content for better performance, ensuring informed decisions and maximizing influencer marketing effectiveness.*

MANAGERIAL IMPLICATIONS

Influencer marketing necessitates a strategic approach that encompasses both opportunities and challenges. Understanding the challenges, metrics, and ethical considerations in influencer marketing is essential for marketers and businesses to succeed in this dynamic field (Kapitan et al., 2020). Managers need to adopt strategies that consider not only superficial metrics but also long-term brand equity and authenticity (Perez et al., 2019). Ethical practices and compliance with disclosure regulations are vital for maintaining consumer trust (Freberg et al., 2011).

The traditional reliance on superficial metrics has to be reevaluated. Recent research emphasizes the importance of moving beyond these surface-level indicators and focusing on more substantive measures like the impact on brand equity, purchase intent, and actual sales (Perez et al., 2019; Khamis et al., 2017). Businesses now have to prioritize these metrics when assessing the success of influencer marketing campaigns. The rise of influencer fraud necessitates the development of more robust methods for verifying influencer authenticity and engagement metrics (Guo et al., 2020). Brands are suggested to invest in technologies like AI-driven analytics and blockchain to enhance transparency and credibility in influencer partnerships. Additionally, it can be challenging to identify and partner with authentic influencers who align with brand values and have a genuine connection with their audience. Brands must also be mindful of ethical considerations, such as the need to disclose financial relationships between influencers and brands (Freberg et al., 2011).

To overcome influencer marketing challenges, focusing on the right metrics is necessary. While traditional metrics such as likes and shares can still be helpful, businesses are also suggested to track metrics that reflect the impact of influencer marketing on long-term brand equity, purchase intent, and actual sales. Some specific metrics include brand equity, which can be measured through surveys and social listening tools to track changes in consumer perceptions of the brand (Lee & Youn, 2019), purchase intent, which can be measured through surveys and monitoring website traffic and sales generated from influencer campaigns (Smith, 2019), and actual sales: This is the most direct measure of the success of an influencer marketing campaign (Khamis et al., 2017).

Transparency is essential for maintaining consumer trust and complying with regulatory guidelines. Brands can benefit from ensuring influencers disclose their paid partnerships clearly and conspicuously (Hajli, 2014). Transparency can be done in various ways, such as including a disclaimer in the description of social media posts, featuring a disclosure on the website, or including a disclosure in the contract with the influencer.

By following a strategic approach to influencer marketing, businesses can maximize the effectiveness of their campaigns and achieve their marketing goals. One specific strategy to consider is identifying and partnering with authentic influencers. Finding those requires careful research and evaluation to identify influencers who align with brand values, genuinely connect with their audience, and produce high-quality content. Developing clear campaign objectives is also important. What do you want to achieve with your influencer marketing campaign? Once you know your goals, you can develop a plan to measure your results. Creating authentic and engaging content is also essential. Businesses must collaborate with influencers to create content that is true to their brand and will resonate with their audience. Some other essential tasks include tracking the results of your campaigns and using social media analytics tools and other resources to track the reach, engagement, and conversions generated by your influencer marketing campaigns.

In conclusion, influencer marketing can be a valuable tool for businesses to connect with consumers in the digital age. However, taking a strategic approach and focusing on the right metrics is crucial. Comprehensive models of influencer marketing should integrate ethical guidelines, such as transparent disclosure of paid partnerships, to ensure the credibility and authenticity of influencer campaigns. Influencer marketing offers a powerful channel for connecting with consumers in the digital age. However, it demands a strategic and ethical approach. By reevaluating success metrics, combating influencer fraud, preserving authenticity, and utilizing comprehensive models, businesses can navigate the complexities of influencer marketing effectively.

RESEARCH IMPLICATIONS

The comprehensive exploration of challenges, metrics, and realities in influencer marketing reveals several significant implications for academia and industry. This research offers nuanced insights that profoundly affect theory development, strategic planning, and practical implementation within influencer marketing. By dissecting challenges such as transparency, authenticity, and content saturation, this research offers a deeper understanding of the complexities marketers and influencers face in navigating the landscape of influencer-brand relationships. These insights contribute to advancing theoretical frameworks that elucidate the dynamics, ethical considerations, and strategic imperatives within influencer marketing.

Furthermore, exploring various metrics—from ROI and KPIs to engagement rates and audience fatigue—proffers a holistic perspective on the evaluative tools available to assess campaign effectiveness. This comprehensive analysis contributes to refining existing measurement models and encourages the development of innovative methodologies to capture the multifaceted impact of influencer collaborations. The study's vast nature and in-depth exploration of various dimensions of influencer marketing provide a solid foundation for further academic inquiries and empirical investigations.

The findings of this research hold crucial implications for industry practitioners engaged in influencer marketing strategies. Identifying and elaborating challenges underscore practitioners' need to adopt proactive measures to ensure transparency, authenticity, and ethical conduct in influencer-brand collaborations. Insights into audience fatigue and content saturation suggest continuous innovation and strategic content creation to sustain audience interest and engagement.

Moreover, delineating diverse metrics equips industry practitioners with a robust toolkit for evaluating and optimizing the performance of influencer marketing initiatives. Understanding the significance of ROI, CTRs, and CLV metrics empowers marketers to make data-informed decisions, allocate resources effectively, and tailor strategies for enhanced campaign effectiveness. Building on the foundations laid by this study, future research avenues emerge to delve deeper into specific aspects of influencer marketing. Investigating the evolving landscape of regulatory frameworks and their impact on influencer-brand collaborations represents an area ripe for further exploration.

Additionally, longitudinal studies tracking consumer behavior and sentiment in response to influencer content could offer valuable insights into the long-term effects of influencer marketing on consumer perceptions and brand loyalty. In summary, this study sheds light on the challenges, metrics, and realities within influencer marketing. It provides a robust platform for future research endeavors, fostering continued advancements in academic understanding and practical applications within the domain.

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CREATING INCENTIVES FOR SMALL BUSINESS DEVELOPMENT: INSIGHTS FROM TENNESSEE SMALL BUSINESS OPPORTUNITY FUND

Murat Arik, Middle Tennessee State University

ABSTRACT

Small businesses younger than five years old are responsible for most new job creation each year, according to the Kauffman Foundation Report (2021). However, research indicates that 81% of small businesses typically fail within a decade of starting (Journal of Small Business Strategy, 2020). In a competitive market economy, small or new businesses require more than just financial investment to become successful. Policy analysts and strategists point to the critical role played by Community Development Financial Institutions (CDFIs) in supporting small businesses and ventures to survive and contribute to job creation and the market economy.

Recognizing the vital role played by small businesses in job creation, innovation, and economic growth, this paper examines the economic impact of CDFI loans, specifically the Tennessee Small Business Job Opportunity Fund (TNSBJOF) through Pathway Lending, on small businesses in Tennessee. As a Community Development Financial Institution (CDFI), Pathway Lending has been providing financial assistance and critical business development services to Tennessee's small businesses since 2010, bringing together public-private partnerships between the government and local businesses. The research question explored in this study is: what would have happened to these small businesses and firms without the support and financial assistance from TNSBJOF?

Using survey data from the 228 Pathway Lending companies along with the demographic profile and business survival rates, this study calculated the net direct job impact. Using net direct jobs by industry in the economic impact model, the study measures the direct and indirect fiscal impact of TNSBJOF loans on Tennessee's economy. The study findings indicate a significant impact of TNSBJOF loans on the state's economy, with a 90 % business survival rate for the TNSBJOF companies as compared to the 49 % of the state and the growth of $433 million business revenue for the initial investment of $157 million. Further, the TNSBJOF loans also supported a higher percentage of women-owned and minority-owned businesses than at the state/national level. The study findings indicate the viability of further research on CDFI loans and economic growth in other states and economic regions.

WHY THEY FLEE: A CASE STUDY OF EXPATRIATES AND THEIR FINANCES

Kentaya Beeler, National University

ABSTRACT

It is widely said that "Home is Where The Heart Is" and this can be true; however, the inquiry exists to determine if a heartfelt place is enough to live the quality of life that one desires. This leads to the exploration of home and quality of life; and if the concepts of home and quality of life are conceptualized separately from an individual perspective. This case study documents the lived experiences of expatriates living in the United Arab Emirates and their decision-making process to migrate from their home countries. This study will evaluate sociological theories related to migration and explore Petersen's (1958) typology migration methodology. The overall context of this case study is to explore and analyze diasporans' lived experiences while clustering characteristics and trends identified in the migration decision-making processes.

Keyword: Migration, Typology, Expatriates, Diaspora, Family Finances

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HEALTHY LEADERSHIP: QUALITATIVE RESEARCH TOWARDS THEORY AND SCALE DEVELOPMENT

R. Mark Bell, Wayland Baptist University
Lisa Tyler, Bethel University
Tiffany McCutcheon, Tennessee College of Applied Technology
Kelli Heinz, Liberty University
Art Heinz, Liberty University
Janet Jones, Wayland Baptist University
Samantha R. Murray, Wayland Baptist University

ABSTRACT

The concept of Healthy Leadership is presented and described as the antithesis of Toxic Leadership. Healthy Leadership consists of the following 6 dimensions: respectful oversight, volitional leadership, altruism, stable consistency, follower advocate, and sincere integrity in contrast to the 5 dimensions of Toxic Leadership: authoritarian leadership, narcissism, unpredictability, abusive supervision, and self-promotion. This research details a qualitative study conducted for the purpose of facilitating the eventual development of a validated survey instrument to measure Healthy Leadership. In this qualitative phase of instrument development, the definitions and descriptions of those Healthy Leadership dimensions are derived from a review of relevant literature and then used to form the basis of an interview protocol. The methods for selecting interviewees, collecting data, and analyzing the interview data are described. The study involved three distinct pairs of interviewers who collected data from eighteen individual interviewees. The results of the data collection and data analysis processes are described. After multiple rounds of coding, a total of 67 codes were developed. Those 67 codes were associated with the 6 healthy leadership dimensions as follows: 1) respectful oversight 8 codes, 2) volitional leadership 10 codes, 3) altruism 12 codes, 4) stable consistency 11 codes, 5) follower advocate 12 codes, 6) sincere integrity 14 codes. A future quantitative study is proposed for the purpose of using the data analysis from the present study to develop an instrument measuring Healthy Leadership which is entitled the Healthy Leadership Scale.

Keywords*:* healthy leadership, toxic leadership, survey development, qualitative research

MAKING SENSE OF MULTIPLE LITERACIES: COMMONALITIES AND DIFFERENCES

Stephen C. Betts, William Paterson University
Neil Grimes, William Paterson University

ABSTRACT

In higher education, traditional literacy (ability to read, write and understand text), and many other literacies (e.g. information, digital, cultural and health literacy) have been identified as essential for students to thrive. In this presentation, we use a contextual perspective to explore the characteristics of literacy in different disciplines and situations and map out the overlaps and dependencies between them. The purposes of examining these relationships is to identify methods for developing various literacies and to diagnose problematic situations where interventions would enable literacy development.

Key Words: Literacy, Digital Literacy, Informational Literacy, Higher Education

IMPROVING QUALITY OF LIFE BY EXAMINING VALUES: THE ROLE OF VALUES AND MATERIALISM ON AFFECTIVE STATES

Stephen C. Betts, William Paterson University
Robert Laud, William Paterson University
Bruce Diamond, William Paterson University

ABSTRACT

Values lead to attitudes that drive judgements and actions. In this project we examine relationships between nine values, materialism, and positive and negative affectivity. We found that materialism mediates the relationship between values and negative affectivity. Negative affectivity is associated with a range of undesired emotions such as anger, contempt, distrust, guilt, fear and nervousness. These negative emotions can lead to poor judgement and inappropriate actions. The implication is that by de-emphasizing and questioning the specific values found to be related to materialism, we can reduce negative affectivity, increase life satisfaction and well-being, avoid poor decisions and enable positive actions.

Key words: Values, Materialism, Negative Affectivity, Well-Being

SNAPCHAT AND WORKPLACE PRODUCTIVITY: EXPLORING THE IMPACT OF SOCIAL MEDIA ON EMPLOYEE MENTAL HEALTH AND PERFORMANCE

Stephanie Bilderback, Austin Peay State University
Terry Damron, Austin Peay State University

ABSTRACT

This research paper explores the impact of Snapchat on employee mental health and workplace productivity. The purpose is to investigate the effects of excessive Snapchat usage on employee well-being, examine the influence of Snapchat on workplace focus and attention, and explore strategies to manage employee Snapchat usage effectively. The paper also aims to provide practical implications for organizations and managers in addressing the challenges posed by Snapchat in the workplace.

WHAT IS THE IMPACT OF GENERATIVE ARTIFICIAL INTELLIGENCE ON SMALL AND MEDIUM-SIZED ENTREPRENEURS (SMES)

Ron G. Cheek, University of Louisiana Lafayette
Bob Hatfield, Western Kentucky University

ABSTRACT

In the ever-evolving tableau of technological progress, the emergence of Generative Artificial Intelligence (AI) heralds a transformative for Small and Medium-sized Entrepreneurs (SMEs). SMEs find in Generative AI not just a tool but tools that allow them to leverage its capabilities formerly on available to large and well-funded organizations. The Generative AI technology, adept at synthesizing novel content and ideas from extant data, is not merely reshaping the entrepreneurial landscape—it is redefining it, ushering in an era where innovation, efficiency, and scalability become not just attainable but foundational to business strategy. The leverage provided by Generative AI tools enables SMEs to scale at an unprecedented pace. By automating routine tasks, generating innovative content, and providing insights into market trends and consumer preferences, entrepreneurs can use their leverage to refine their markets, extend their brands, and compete in the global arena. The agility afforded by Generative AI means SMEs can adapt swiftly to market changes, test new ideas with minimal risk, and personalize customer experiences in ways previously unimaginable.

The advent of Generative AI represents a pivotal shift in the entrepreneurial paradigm. For SMEs, it offers a beacon of hope and a toolkit for transformation, enabling them to successfully compete with any organization, regardless of size and resources. As we look to the future, the fusion of human creativity with the power of AI promises not only to elevate businesses but also to propel society towards unprecedented horizons of innovation and growth.

In our presentation we will the following areas:

- *Overview of Generative AI*
- *Generative AI Tools*
- *Impact on All Organizations Regardless of Size*
- *Generative AI Challenges & Opportunities for Small and Medium-sized Entrepreneurs (SMEs)*

PUBLIC PERCEPTION ANALYSIS ON UNIVERSAL HEALTHCARE ON SOCIAL MEDIA: AN ARTIFICIAL INTELLIGENCE APPROACH WITH SENTIMENT ANALYSIS AND TOPIC MODELING

Michelle Chen, Cranbrook Kingswood Upper School
Chen Ye, Purdue University Northwest

ABSTRACT

In the United States, universal healthcare has been a long-term, open-to-debate topic, because the US is the only developed country without it. Public opinions on universal healthcare are diverse and influenced by multiple factors, such as political campaigns, public health crises, social events, and technological advancement. The public perceptions on universal healthcare need to be precisely captured and understood for stakeholders to make the right decisions to cover the majority people's interests. Social media's rise and popularity offer an innovative method to track public sentiment over such societal topics. Over ninety percent of the American population uses social media for various purposes, such as communication, discussion and advocating, which provides an extensive repository of public-generated information. Prior research has shown that the rich source of information on social media can be used to understand the public's sentiment and opinions on major events. Therefore, in this study, we collected and analyzed posts and comments on Reddit related to universal healthcare, using Reddit Application Programming Interface (API) and Python programming. With Linguistics Inquiry and Word Count (LIWC), we discovered public sentiment changes on universal healthcare topics in the past 15 years. In addition, we used machine learning Latent Dirichlet Allocation (LDA) topic modeling to identify five key themes in the public discourse related to universal healthcare: taxes, voting to change, comparison with other countries' healthcare systems, insurance and cost, and government authority expansion and socialism. Implications of the findings will be discussed.

ESTIMATING ECONOMIC IMPACTS OF AN UNEXPECTED EVENT: A SYSTEM DYNAMICS MODEL

Kuan-Chou Chen, Purdue University Northwest
Keh-Wen “Carin” Chuang, Purdue University Northwest

ABSTRACT

This paper proposes a System Dynamics Model (SDM) as a tool for estimating the economic impacts of unexpected events. Traditional economic impact assessments often struggle to capture the complex interdependencies and dynamic feedback loops inherent in such events. The proposed SDM offers a holistic approach by incorporating these complexities, providing policymakers and stakeholders with a more comprehensive understanding of the potential economic ramifications. Through a review of relevant literature and the development of a conceptual framework, this paper outlines the key components and processes involved in constructing an SDM for estimating economic impacts. Case studies and simulations demonstrate the model's applicability and effectiveness in various contexts, highlighting its potential to inform decision-making and enhance resilience in the face of uncertainty.

Keywords: Economic Impact, Unexpected Events, System Dynamics Model, Complexity, Resilience, Decision-Making

SELECTIVE AND INCLUSIVE EXPERIENTIAL LEARNING EXPERIENCES: THE CFA INSTITUTE RESEARCH CHALLENGE AND STUDENT MANAGED INVESTMENT FUND

John Cresson, Southeastern Louisiana University

ABSTRACT

Universities have incorporated experiential learning opportunities into their curricula to separate their students from the competition in the job market. Given the many differences across universities, one model for such experiences does not work for every program. In Finance, the CSBS Community Bank Case Study Competition, CFA Institute Research Challenge, Bloomberg Global Trading Challenge, and other national and local competitions have been well received. To maintain a competitive advantage, our Finance program offers experiential learning opportunities to our students.

In this paper, I present how our business school successfully manages a selective CFA Institute Research Challenge team and includes all Finance students in managing our student investment fund using professional financial services. Through our eight month, battle-tested process, our students improve their critical thinking, presentation, leadership, financial knowledge, spreadsheet, and professional financial software skills.

ONLINE EDUCATION: ARE BUSINESS SCHOOLS REALLY READY?

John Cresson, Southeastern Louisiana University

ABSTRACT

Sustainability is an emphasis of focus for AACSB schools, both academically and administratively. It is a learning topic for business students and a concern for university administrators competing for students. To maintain or grow student enrollment in the higher education marketplace, AACSB business schools have expanded their course and degree offerings to online delivery. There has been an explosion of MBA degrees available online, some at very low costs. Integrity challenges increase with online opportunities. With integrity being a guiding principle of AACSB, do business schools have the resources to maintain quality? I address that question through my experiences teaching online undergraduate and graduate Finance courses.

REVITALIZING WINE SALES: INSTAGRAM STRATEGIES OF TOP U.S. BRANDS FOR MILLENNIALS AND GEN Z

Terry Damron, Austin Peay State University
Kathryn Woods, Austin Peay State University
Autumn Johnson, Austin Peay State University
Delaney Jones, Austin Peay State University

ABSTRACT

Both globally and in the U.S., wine sales have declined in recent years (Bitter, 2023). Wine consumption is particularly weak among younger consumers, driving analysts to call for the improved selling and promotion of wine through market penetration and market development growth strategies designed to acquire new customers, promote a variety of usage occasions, and increase existing usage occasions among younger consumers (McMillan, 2024). These younger consumers, categorized as Gen Z or Millennial consumers, are particularly concerned with corporate social responsibility (CSR) initiatives and especially active on Instagram (McLachlan, 2024), where reels act as the key driver of brand engagement but are posted far less frequently than stories on brand pages (Hutchinson, 2023).

The purpose of this research is to determine how the United States' top 20 wine brands are using Instagram to target younger consumers and promote a variety of usage occasions. Through a mixed-methods study, the researchers sought to answer the following research questions:

RQ 1: How are wine brands using dynamic and static brand page posts to connect with Instagram users?

RQ 2: What types of usage occasions do wine brands promote via brand page posts on Instagram?

RQ 3: To what degree do wine brands leverage cause-related marketing to engage with younger consumers?

Results are designed to inform wine brand social media marketing strategy.

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THE UNITED AUTO WORKERS UNION STRIKE AND ITS EFFECT ON AUTOMOBILE MANUFACTURERS' STOCK PRICE: A TEST OF MARKET EFFICIENCY

Alec Daniel, Longwood University
Frank Bacon, Longwood University

ABSTRACT

This paper investigates the impact of the UAW strike against the 'Big Three' Detroit automakers on the stock prices of major car manufacturers with sales in the United States. Despite resulting in record pay raises for automobile workers, the strike led to substantial losses for automakers and potentially increased vehicle prices. Using mean-adjusted event study methodology and drawing upon existing literature on market efficiency, this study assesses whether stock prices reacted significantly to the strike announcement, testing the semi-strong form market efficiency theory. Analyzing data from 180 days before to 30 days after the strike announcement for ten major car manufacturers, statistical tests reveal that neither the average excess return nor the cumulative excess return of the sample exhibited statistically significant changes following the strike announcement. These findings suggest that, in this context, the semi-strong form market efficiency hypothesis holds true, as stock prices did not significantly react to the public information of the strike announcement. Further research is recommended to explore additional factors and conduct more comprehensive analyses of stock returns in the automotive industry.

INTRODUCTION

Founded in 1935, the UAW (or United Automobile, Aerospace, and Agricultural implement Workers of America) is one of the largest unions in the US. The union has members from many sectors and many different business sizes in the economy numbering 400,000 active and 580,000 retired in more than 600 different local unions.

Begun on September 15, 2023, the UAW struck against the 'Big Three' Detroit automakers, Ford, General Motors, and Chrysler (now a part of Stellantis). Reason for the strike came when the automakers and the UAW failed to agree to terms on a new contract after the last contract created in 2019 expired. The strike initially took place at three plants, a GM plant in Missouri, a Ford plant in Michigan, and a Stellantis plant in Ohio. The UAW's demands included large pay increases for workers and retirees, the reinstitution of COLA (cost of living adjustments), more paid time off, and the right to strike over plant closures. Over time, the strike expanded until the union reached terms with Ford on October 23 then Stellantis on October 26, and finally GM on October 30, 2023, bringing record pay raises to automobile workers. Automakers, though, quoted large losses. Ford for example pulled then reinstated its 2023 guidance due to the impact of the strikes and new contract. Ford decreased its adjusted earnings guidance from $11-12 to $10-10.5 billion and its adjusted free cash flow from $6.5-7 to $5-5.5 billion. A Ford representative stated that the new contract would cost the firm approximately $8.8 billion, in addition to an estimated $1.7 billion lost from lack of production, while General Motors estimated a $9.3 billion impact until the contracts expire in April of 2028. Finally Ford estimated that these newly accrued costs would add roughly $900 in assembly cost per vehicle, which will inevitably drive vehicle prices up further. The strike, while only directed at the 'Big Three' American companies, may logically drive up the prices of other firms as well, both through workers' new expectations and through pricing competitions.

LITERATURE REVIEW

According to Mustafa and Ahmed (2020, p.272), in the 1970's the market was considered entirely efficient, implying that current market prices reflect all available information. However, in the current day, many do not agree. The market efficiency hypothesis traditionally contains 3 different forms: weak form, semi-strong form, and strong form. Each form reflects a certain amount of information that can be used in order to earn an above average return on the stock market. In the weak form hypothesis, stock market investors cannot make an above average return based on any past information. In the critical review by Mustafa and Ahmed (2020, p. 274), they review a study done in the Pakistani stock market from 1999 to 2010. Using four different tests, the study found that the KSE 100 was not efficient in the weak form, with only one small anomaly. In semi-strong form, stock market investors cannot make an above average return on any public information, past or present. In a market efficiency study of FDIC bank failure announcements done by Frank Bacon and Earl Allen (2013), it was found that the negative signals sent by the FDIC to investors was not sufficient to cause above normal return, but rather investors must have had to act prior to an announcement to gain abnormal returns. Finally, the strong form market efficiency hypothesis states that investors cannot make an above normal return on any information, public or private, past or present. This hypothetically means that nobody with any sort of information on an event can make an above normal return.

METHODOLOGY

The study sample includes 10 major car manufacturers which do some major business within the United States. The study looks to test how quickly the stock prices of each of the 10 automotive firms reacted to the news of the UAW's announcement of its strike against the 'Big Three' automotive companies on September 15, 2023 alongside the S&P 500 index. In order to sufficiently analyze the firms' stock prices, data was gathered from 180 days prior to the announcement to 30 days after. To test the effect of the strike announcement on the stock prices as well as the semi-strong form market efficiency theory, the following hypotheses were used:

H0: *The adjusted stock price return of the sample of firms in the automobile manufacturing industry is positively significantly impacted by information on the announcement date.*

H1: *The adjusted stock price return of the sample of firms in the automobile manufacturing industry is negatively significantly impacted by information on the announcement date.*

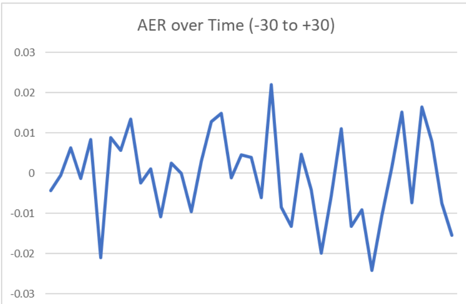
H2: *The adjusted stock price return of the sample of firms in the automobile manufacturing industry is not significantly impacted by information on the announcement date.*

Company Ticker	**Company Name**
F	Ford
GM	General Motors
STLA	Stellantis
BMWYY	BMW
DTRUY	Daimler
GELYY	Geely
HMC	Honda
NSANY	Nissan
TM	Toyota
VWAGY	Volkswagen

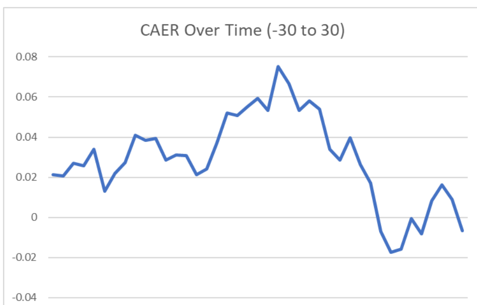
The study was done in accordance with standard mean-adjusted event study methodology. The ten firms were selected based on their proximity to the event- in this case the UAW strike announcement. Financial data was obtained from finance.yahoo.com.

1. Historical data for the 10 sample companies, as well as the S&P 500 index, from day -180 to day +30 relative to the UAW announcement were obtained.
2. Holding Period Return was calculated for the ten stocks as well as the S&P using the formula: HPR= (Current Close Price - Yesterday's Close Price) / Yesterday's Close Price
3. Expected Return (AR) was calculated by finding the mean daily HPR of each firm,
4. Each firm's daily Excess Return was found by subtracting their Expected return from their daily HPR.

5. The mean of each day's Excess return from all 10 firms was taken to find the daily Average Excess Return.



6. Each day's Average Excess Return was added to the previous to find the Cumulative Average Excess Return



QUANTITATIVE TESTS AND RESULTS

Multiple statistical t-tests and correlation tests were run to determine the statistical significance of the data. First, a correlation test was run between time, AER and CAER. The correlation coefficient between AER and Time was -0.15, while the coefficient between CAER and Time was -0.32. Second, two, two-tailed t-tests were calculated; one between AER and Time, and the other between CAER and Time. When tested at a significance level of 5%, neither AER nor CAER were found to be statistically significant.

CONCLUSION

This test was conducted in order to determine the possibility of excess returns being generated from the announcement of the UAW strike against the Big 3 US automakers, as well as to test the semi-strong form market efficiency hypothesis. 10 automotive manufacturers' stocks were selected to be compared against the S&P over a period of 210 days. When each stocks' returns were tested using the mean-adjusted event study methodology, there was not found to be any significant average excess return or cumulative excess return over time at a significance level of

5%. It is recommended that further research is done on the topic and returns be more completely analyzed.

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SHORT-TERM RENTAL OPPORTUNITIES FOR ENTREPRENEURIAL START-UPS

Madelynn Duffield, Western Carolina University
Robert J. Lahm, Jr., Western Carolina University
Kia Rokni, Western Carolina University

ABSTRACT

The short-term rental industry, e.g., Airbnb, Vrbo, Booking.com, and increasingly emerging niche players, has created a seismic shift in the accommodations marketplace. With this, some controversy has arisen from multiple fronts. Municipalities wish to capture taxes and fees, and to otherwise regulate the impacts of guest stays such as increased stresses on infrastructure. More traditional accommodation providers see – and sometimes protest – new forms of competition. Nevertheless, some, like Marriott, have sought to capitalize on the short-term rental market that has developed. The COVID-19 pandemic substantially disrupted the travel, food, and entertainment industries as travel restrictions and lockdowns put many such participants under operating constraints, with some severe enough to lead to permanent closures. Innovations arose in some cases (and are still emerging as employers seek to adapt to changes in the labor pool). Airbnb has recognized the significant shift in working from home and continues to add digital enhancements to its system. Just as platforms such as Etsy, eBay, Amazon, Shopify, and others, have enabled would-be entrepreneurs to launch businesses with many of the technological barriers having been overcome, the major players in the short-term rental industry have created a brand-new wave of opportunities, albeit with accompanying risks.

Keywords: small business, entrepreneurship, short-term rentals, hospitality, tourism.

INTRODUCTION

According to Demir (2018), in the context of strategic management sustainable growth comes from innovation, described as new products, services, and business model breakthroughs. This conceptual research explores the short-term rental (STR) market and a new wave of opportunities for entrepreneurs (notwithstanding some inherent risks). Bettinson (2020) and several other sources (in part, a history section on the Palace of Versailles' website[1]), suggest the first recorded vacation property rental occurred in 1624 when Louis VIII used a small hunting lodge that he built as a place to stay the night. Timeshares arose in the 1800's; by the 1950's

[1] *Louis XIIi and Versailles*. Château de Versailles. https://en.chateauversailles.fr/discover/history

vacation rental listing advertisements were being placed in U.S. newspapers; the Vacation Rental Management Association (VRMA) was founded in 1985 (Akande, 2015). Vrbo was founded in 1995 and as of now (in 2024) is almost three decades old. (*A history of Vrbo timeline: 25 years of bringing families together*, 2020). Airbnb, another industry pioneer, was later founded in 2007 "when two Hosts welcomed three guests to their San Francisco home, and has since grown to over 5 million Hosts who have welcomed over 1.5 billion guest arrivals in almost every country across the globe" (*Airbnb: About us*, 2024).

It is anticipated that the vacation rentals market in the United States will generate the most revenue in comparison to other countries, at $19.77 billion in 2024 (*Vacation rentals - United States*, 2023). In a larger global context, in 2019 Skift Research published what it claims to be seminal findings on a short-term rental ecosystem. It has since revisited this topic and provided an update (*Skift short-term rental 250: Mapping the rental vendor ecosystem*, 2024). Skift organized its findings in three major categories: Business-to-Consumer Platforms (B2C); Property Managers; and Business-to-Business (B2B) Vendors; these are divided into 14 different subcategories. Examples include B2C, listing (e.g., Airbnb, Vrbo, Booking.com) and metasearch sites (e.g., Kayak, Trivago); Property Managers, such as host service providers (i.e., those that support distribution, revenue management, operations, and guest communications), vacation home (e.g., Vacasa), and urban rental management companies (e.g., Sonder). B2B providers in the ecosystem have blossomed and these provide numerous services ranging from software management systems to revenue management and market intelligence, and technologies such as digital keys, noise- and energy monitors.

DISCUSSION

Key Players and Industry Overview

As noted, short-term rentals have evolved into a rapidly growing ecosystem, revolutionizing how people travel, stay, and experience destinations. This burgeoning sector encompasses a diverse array of players, each contributing to the industry's dynamic landscape. Platforms like Airbnb, Vrbo, and Booking.com are at the heart of this ecosystem, connecting travelers with a wide range of accommodations. Table 1 provides a list of top companies operating in various countries, showcasing the international reach and significance of the short-term rental ecosystem. These platforms serve as a marketplace where hosts list their properties and travelers search for their ideal accommodations.

Table 1 **Key short-term rental listing companies**[2]	
Country	**Companies**
Canada	Hopper, LaCure Villas
China	Tujia
Finland	Forenom
France	Le Collectionist, Misterbnb, MagicStay
Germany	BestFeWo.de
Hong Kong	StayOne
Singapore	Trip.com, Tripvillas
U.S.	Airbnb, Expedia Group (Vrbo, Expedia.com), Booking Holdings (Booking.com, Agoda Homes), Tripadvisor, Couchsurfing, ThirdHome, Kindred, Flipkey, HouseStay, Whimstay, BringFido, Homes & Villas by Marriott, 2nd Address, HomeEscape
UK	Plum Guide, AltoVita, Edge Retreats, Clickstay
Vietnam	GlampingHub

In addition to platforms and hosts, ancillary services have emerged to support the short-term rental ecosystem. Property management companies specialize in managing and maintaining vacation rentals on behalf of hosts, handling tasks such as guest communication, cleaning, and maintenance (Cocola-Gant et al., 2021). Technology providers offer innovative solutions like smart locks, dynamic pricing tools, and channel managers to streamline operations and enhance the guest experience (Chapman et al., 2023; Quane, 2023; *Skift short-term rental 250: Mapping the rental vendor ecosystem*, 2024). Furthermore, regulatory bodies and local governments are significant stakeholders in the short-term rental industry as they grapple with the challenges posed by the rapid growth of vacation rentals (Yeon et al., 2020).

Table 2 further articulates some property categories that may be found in Airbnb listings. As can be deduced from the wide variety of categories, in viewing these as the product (notwithstanding that such would have many accompanying attributes such as services and location), opportunities to serve as host and/or stay as a guest are plentiful.

[2] Data for table collapsed and originally excerpted from Skift short-term rental 250: Mapping the rental vendor ecosystem. (2024). Skift Research. https://skift.com/skift-short-term-rental-250/

TABLE 2[3]
Airbnb Listing Categories

A-frames	Caves	Historical homes	Shared homes
Adapted	Chef's kitchens	Houseboats	Shepherd's huts
Amazing pools	Containers	Iconic cities	Ski-in/out
Amazing views	Countryside	Islands	Skiing
Arctic	Creative spaces	Kezhans	Surfing
Barns	Cycladic homes	Lake	Tiny homes
Beach	Dammusos	Lakefront	Top of the world
Beachfront	Desert	Luxe	Towers
Bed & breakfasts	Design	Mansions	Treehouses
Boats	Domes	Minsus	Trending
Cabins	Earth homes	National parks	Tropical
Campers	Farms	New	Trulli
Camping	Fun for kids	Off-the-grid	Vineyards
Casas particulares	Golfing	OMG!	Windmills
Castles	Grand pianos	Riads	Yurts
	Hanok	Ryokans	

Entrepreneurial Opportunities

While the initial attraction for a would-be entrepreneur may at face-value be that of being a host, it is clear that many other opportunities exist (now and in the future). These could include specialized data and information services, security systems, presenting properties (on-the-ground and drone photography), legal issues advisement and representation (e.g., zoning, liability), operations support (e.g., cleaning and maintenance), vertically integrated software and app development, publishing, more specialized listing platforms, as well as others. While these are all acknowledged here as possible new entrepreneurial opportunities, the primary focus in the discussion that follows will be in connection with the notion of becoming a host.

So as to frame opportunities, it may be appropriate to start with an outline of some of the operations and preparations for hosting that must be addressed by the entrepreneur. While income for hosts may vary widely based on the number of properties held, frequency of stays, and operational costs versus income, hosting can provide a respectable income. For instance, Eckert (2023) profiled a twenty-three your-old entrepreneur who "arranged leases for multiple units, occasionally inking deals that included one or two months of free rent." By the end of 2021, this

[3] Table based on Airbnb listing categories taken from How listings are categorized - Airbnb Help Center.

entrepreneur was said to hold leases on over 50 properties, which he, in-turn, used to provide guest accommodations.

CONCLUSION

In conclusion, the exploration of short-term hospitality rentals reveals a dynamic landscape filled with both opportunities and challenges for entrepreneurial ventures (Chapman et al., 2023; *Short term vacation rental market 2024-2028*, 2024). As the industry evolves continuously, driven by technological advancements (Armental, 2022; Ge et al., 2022) and changing consumer preferences, entrepreneurs must navigate a multifaceted environment shaped by regulatory frameworks, market dynamics, and emerging business paradigms. Major players like Airbnb have significantly altered the hospitality landscape, offering distinctive and personalized accommodation experiences while fostering connections between hosts and guests (*Airbnb 2021 release: 100+ innovations and upgrades across our entire service* 2021; Ge et al., 2022). However, the rise of short-term rentals has also sparked legal controversies, prompting policymakers to grapple with regulatory measures aimed at balancing societal benefits with commercial interests (Jarboe, 2022; Park & Agrusa, 2020). Despite challenges, the short-term rental market has demonstrated remarkable resilience, especially in the face of the COVID-19 pandemic (Miguel et al., 2022). Entrepreneurs have capitalized on emerging trends such as remote work and digital nomadism (Guth, 2021), innovating and adapting their offerings to meet the growing demand for unique stays and flexible booking options.

Looking ahead, the short-term rental industry is primed for continued expansion, with predictions indicating robust revenue growth and a shift towards branded opportunities and corporate hosting (Cocola-Gant et al., 2021). According to Infiniti Research Ltd.'s TechNavio market-research arm: "The vacation-rental market is expected to grow by about 14% this year and post a compound annual growth rate of more than 8% through 2026" (Armental, 2022). Grand View Research, Inc. valued the global market for vacation rentals at about $74.64 billion last year and estimated compound annual growth through 2030 at about 5.3% (Armental, 2022). While the landscape may undergo further changes, entrepreneurs have ample opportunities to thrive in this dynamic and profitable market by leveraging technology, data analytics, and effective marketing strategies.

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STUCKEY'S IN A STICKY SITUATION

Alan Eisner, Clark University
Helaine Korn, CUNY
Patrick McGuigan, Pace University

ABSTRACT

Stephanie Stuckey, granddaughter of Stuckey's Corporation founder, is trying to rekindle the pecan candy and roadside convenience store franchise empire. The signature pecan log roll, a rich and gooey nougat loaf coated with Georgia Pecans, is the icon of Stuckey's inviting past. In its heyday, Stuckey's had over 350 roadside convenient stores in 40 states, known for candy wall displays, kitschy souvenir merchandise, and clean bathrooms along with its own candy manufacturing plant. Ms. Stuckey, a lawyer with no corporate experience, repurchased her family legacy-- the bare carcass of the firm with 68 outdated franchise agreements, outsourced manufacturing, and rented warehouse space. Will this Stuckey be able to unstick the situation?

THE RISE AND FALL OF THE FTX GROUP: A CASE STUDY

Raymond Elson, Valdosta State University
Beverley Alleyne, Belmont University

ABSTRACT

$8 billion in customer funds!

This was the amount allegedly misappropriated by the third largest cryptocurrency exchange in the world.

How could a $32 billion entity with reported users and revenue of one million and $1.02 billion respectively, at the end of 2021 be involved in such allegation?

It happened with FTX, the once high-flying, three-year old, cryptocurrency exchange founded by two entrepreneurs and headquartered in Nassau, Bahamas; which ultimately filed for Chapter 11 bankruptcy protection in November 2022.

Using the theory of the fraud triangle, the case will explore how a vicenarian (i.e., a person between twenty and twenty-nine years old) was able to manipulate multi businesses and regulators without timely detection.

INCORPORATING EXPERIENTIAL EDUCATION IN THE CURRICULUM: STRATEGIES AND MEASURES OF SUCCESS.

Indranil K Ghosh, Saint Xavier University

ABSTRACT

This paper details the efforts of incorporating practical experience, experiential learning, and internships into the undergraduate Business curriculum of a majority first generation and minority small private University in a large metro area. There are three main components that are used as instruments. The School revised its core Business curriculum to incorporate a Professional learning course entitled Achieving Career Excellence. The School placed significant emphasis on internships for students as a primary way of incorporating experiential learning. The School is developing a professional mentorship program for its undergraduates. The paper describes the three focus areas developed to achieve the goals, and also outlines metrics and measurements for student outcomes.

THE EFFECT OF THE OCTOBER 7TH, 2001 US INVASION ANNOUNCEMENT OF AFGHANISTAN ON THE STOCK MARKET AND DEFENSE COMPANIES.

Jesper Granlund, Longwood University
Frank Bacon, Longwood University

ABSTRACT

This research serves as an event study and tests the effects of market efficiency theory on the Afghanistan invasion announcement by the US on October 7th, 2001, through analyzing the change in 10 S&P 500 companies that are considered a part of the defensive industry and are traded on the New York Stock Exchange (NYSE). The overall purpose of this study was to test how efficiently the market reacts to new information, more specifically in this case, how efficiently defensive companies' stocks reacts to announcements of war efforts. The study found that the announcement could have had a small effect on the stock movement of the defense companies due to the announcement. However no significant evidence was found that supports significant excess returns being made from the announcement.

BACKGROUND

In the world, wars and military conflicts have existed throughout history. While wars are concerned with political and humanitarian factors, there is also a large economic aspect to wars. During the fiscal year of 2022 the United States spent 766 billion on national defense which accounts for 12 percent of federal spending. Currently, the defense sector is a large business that creates weapons and equipment for different militaries around the world. Wars and military expansions in the world have become extremely profitable for some defense companies due to the demand that it brings for weapons and military equipment that is sold by defense companies.

RESEARCH PROBLEM

How efficiently and quickly does markets react to new information and can excess returns be earned through decisions made on past information? An event that can be measured or theoretically explained to have an effect on the market needs to be chosen to solve this question. In this case the theoretical assumption is that the US announcements of taking war efforts into Afghanistan would increase the demand for companies in the defensive sector, especially ones that directly provide equipment to the US army. Since the 2001 US invasion of Afghanistan, the US has spent $2.313 trillion on the conflict including operations both in Afghanistan and Pakistan. Overall, the pentagon spending has totaled $14 trillion since the start of the war in Afghanistan with about one third to a half of this money going to military contractors. One third of total contracts have gone to five corporations: Lockheed Martin, Boeing, General Dynamics, Raytheon, and Northrop Grumman. These companies are all a part of the NYSE and based on theoretical assumptions of the stock market one could assume that announcements of conflicts regarding the US military would have a positive effect on these companies' stocks due to the increase in demand for war equipment.

PURPOSE OF STUDY

Use an event study to test how efficiently the stock market reacts to new information and analyze if excess returns can be made by investors if they were to act on the event. In this case, the study intends to find how quickly the stock market reacts to the information about the announcement of US invasion plans of Afghanistan in 2001 and if an investor could make excess returns by buying stocks that are a part of the defense industry when the Afghan invasion plans on October 7th 2001 are announced.

According to the efficient market hypothesis, the stock market should have an immediate reaction to the announcement of the Afghan war and no investor should be able to make excess returns on actin on the information.

LITERATURE REVIEW

According to Fama, the stock market can show it efficiency in three forms: weak-form, semi-strong-form, and strong form (Fama, 1970). The theory of weak-form efficiency is based up on the idea that no investor can earn excess returns on the stock market based up on past information. In this case the market would be considered efficient in the weak form if investors buy stock of defensive companies a couple of days after the announcement and does not earn excess returns.

Semi-strong efficiency is based up on the theory that no investor can earn excess returns by acting on public information. In this case if an investor would act when the announce was made and wouldn't make excess returns then the market would be considered efficient in the semi-strong form.

Strong market efficiency is based on that no investor can earn excess returns by acting on public or private information. Strong market efficiency is based on the same idea as semi-strong efficiency. However, strong market efficiency assumes excess returns cannot be made out of insider trading. (Jordan, 2021)

The actions of investors usually do not reflect a markets efficiency, investors commonly over- or underreact to information. However, if there are patterns in how investors over- or underreacts, in other words, biases Then there is an argument to be made that markets can be inefficient due to investors who can recognize these patterns earning risk-adjusted excess returns. (Madura, 2016)

METHODOLOGY

An event is chosen that will effect the stock market. In this study it will be the announcement of an Afghan invasion by the US on October 7th, 2001.

The announcement day (October 7, 2001) will serve as day 0, Stock market data will be gathered from 180 days before October 7, 2001, to 30 days after the event. The pre-event period will serve as the 180 days before to 30 days before the event (150 days). The 30 days before to 30 days after the event will serve as the event period (60 days).

Stocks that will be observed are 10 stocks that are a part of the defense sector as well as the S&P 500.

After this the Holding period returns for the 10 different stocks as well as the S&P 500 are calculated. (HPR = (current day close price – previous day close price) / previous day close price)

A regression analysis between the 10 companies and the S&P 500 is calculated to determine the alphas and betas. For this the daily returns of each company's stock will be compared to the daily returns of the S&P 500. The 10 companies' stock will serve as the dependent values (Y values) and the S&P 500 returns will serve as independent variables (X values). This regression analysis will be calculated from the pre-event period, 180 days before to 30 days before the event.

The expected return for each company is calculated using the alphas and betas from the regression analysis for the event period (30 days before event to 30 days after the event). Expected return = alpha + beta (HPR S&P 500). From this the excess returns can be calculated for each company: Excess returns = actual returns - expected returns.

With the excess returns, the average excess returns (AER) for the event period can be calculated (30 days before to 30 days after the event). AER = excess return for the day/number of stocks (10 stocks in this study). With the AER the cumulative average excess return can be calculated (CAER) for the event period (30 days before to 30 days after the event). Daily CAER = daily sum of AER.

QUANTITATIVE TESTS AND RESULTS

The study examines stock performance of 10 companies that are a part of the defensive sector and were hypothetically impacted by the October 7^{7h} announcement of Afghanistan invasion conducted by the US. The hypothesis tested were as follows:

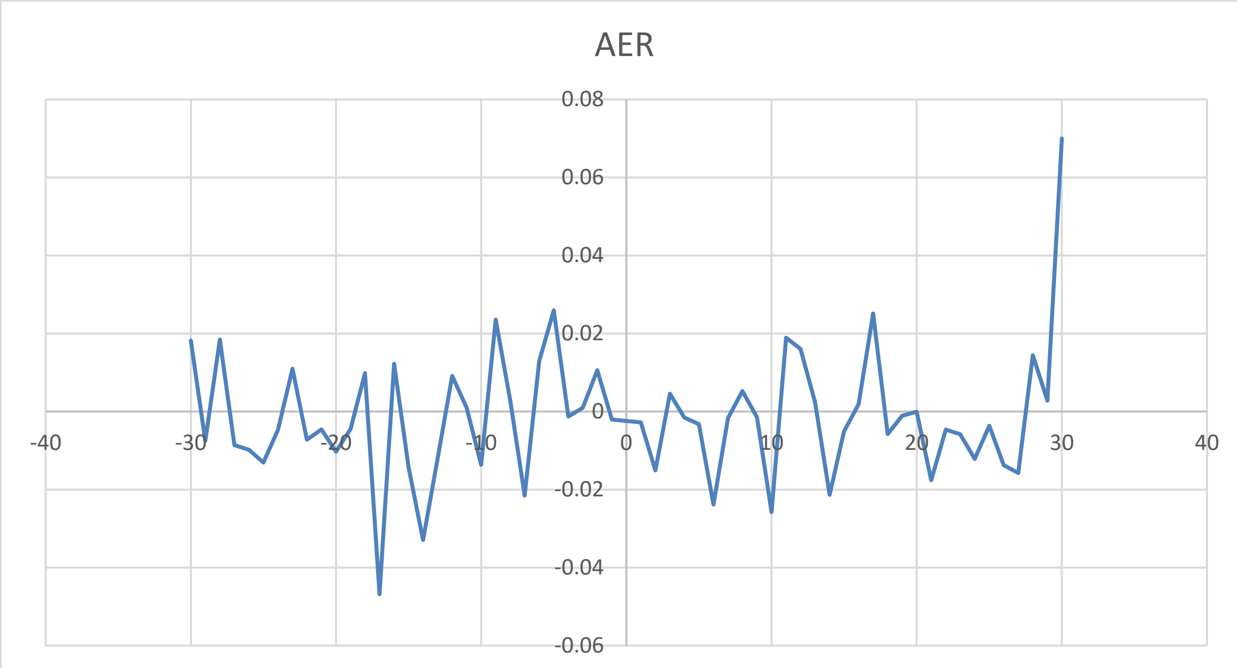
H0 : The stock performance of the 10 companies are not significantly effected by the information on the event date

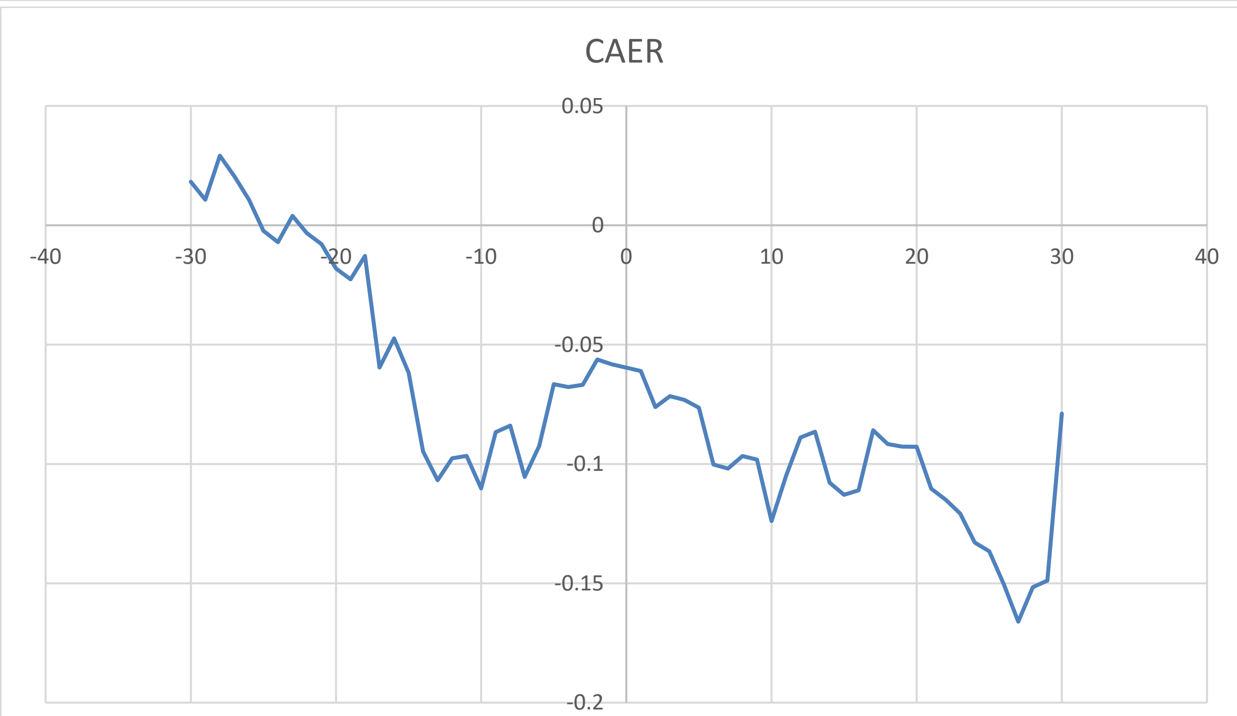
H1 : The stock performance of the 10 companies are significantly effected by the information on the event date.

Alphas and betas have been calculated in the table below. Alphas and betas are calculated through regression where the time period of 180 days to 30 days before HPR's of companies and the S&P 500 is collected. The HPR's of the S&P 500 serves as the independent variable in the regression (x-values, while the companies HPR's serve as the dependent values (y-values).

Company name	Alpha	Beta
Lockheed Martin Company (LMT)	0.00092786	0.29899765
The Boeing Company (BA)	-0.001521	0.6756485
Northrop Grumman Corporation (NOC)	-0.0007803	0.39948409
General Dynamics Corporation (GD)	0.00175922	0.70534333
RTX Corporation (RTX)	-0.0004549	0.76196952
Textron Inc. (TXT)	-0.0005208	0.78606226
L3Harris Technologies, Inc. (LHX)	0.00233977	1.35830452
HEICO Corporation (HEI)	0.00139922	0.02621765
Hexcel Corporation (HXL)	-0.0009248	0.23085949
Leonardo DRS, Inc. (DRS)	-0.0012684	-0.22266492

With the Alphas, betas and the HPR, the expected returns for companies are calculated for the event period (period between 30 days before the event to 30 days after the event). After this the expected returns are subtracted by the actual returns and excess returns are gathered from each company for each day. After this the daily average excess return is calculated which is shown below. The data shows that average excess returns were not affected by the announcement in a significant way the CAER which is calculated by summing up the AERs shows an overall downwards trend, we can see a large dip between days -20 and -10, this is when the September 11th attacks occurred. A significant effect on excess returns due to the announcement was not found.





CONCLUSION

The study focused on market efficiency and tested if possible excess returns were possible to be made if one bought defensive stocks after the declaration of war in Afghanistan on 0ctober

7th 2001. The study however failed to prove or show any significant effect on excess returns regarding the war declaration.

Aspects that arguably interfered with the event study was the September 11th attacks since it affected the actual returns for the event period drastically. Another factor to consider is the sample of defensive stocks, I'd argue that a sample of the 5 biggest US military contractors in the US during 2001 (LMT, BA, NOC, GD, RTX) could have been used since, the US army mostly works with these contractors, and they would have been effected the most by announcements that has to do with the US military.

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IMPLEMENTING TRAUMA-INFORMED CARE PRACTICES IN THE WORKPLACE: A DESCRIPTIVE PHENOMENOLOGICAL STUDY

Jesse Greer, Wayland Baptist University

ABSTRACT

The effects of trauma are becoming more prevalent, which has generated conversations about being more trauma-informed and providing trauma-informed care services in a clinical setting. However, the principles centered around trauma-informed care could be applied to a person's everyday life, including the work setting. This qualitative descriptive phenomenological study aimed to investigate what trauma-informed care principles are needed in the workplace from the employee perspective to create a more trauma-informed environment. The survey instrument used in this study was a modified version of Fallot and Harris's (2011) consumer satisfaction survey in their published article Creating Cultures of Trauma-Informed Care: A Self-Assessment and Planning Protocol. The instrument contained 13 questions, with each core question having an optional secondary question requesting additional details about the participants' responses. The tool was categorized into four sections: safety, trustworthiness, choice and collaboration, and empowerment. Ninety participants accessed the survey through SurveyMonkey Audience, but four did not meet the participation criteria and exited the study. The researcher was left with 86 completed surveys. The qualitative analytical tool Quirkos was employed to help analyze the data and generate themes. The category that produced the most themes was empowerment. Employees want to be viewed as a person rather than a resource to get the job done. Likewise, participants wanted to be valued and have their voices heard. To push this conversation forward, future researchers should conduct interviews face-to-face to produce more in-depth findings.

Keywords*:* Trauma, trauma-informed care, workplace environment

TRAINEE REACTION FORMS: CAN WE TRUST TRAINEES ESTIMATES OF THEIR OWN LEARNING?

Robert Hatfield, Western Kentucky University
Ron Cheek, University of Louisiana at Lafayette

ABSTRACT

A laboratory experiment was conducted using 437 student trainees. Trainees viewed a training video on performance appraisals. A post-training questionnaire included a trainee reaction form which included standard trainee reaction questions and also included asking the trainees to estimate how much they believed they learned (subjective estimate). Trainees were also given a learning test that measured "actual learning" (objective). The dependent variables of overall trainee reaction, subjective estimates of learning, and objective learning were examined. Consistent with the rating literature which often finds a "self-serving bias" where supervisor's self-ratings of their performance are higher than ratings of the supervisor gathered from their subordinates or other sources, the authors wondered whether subjective estimates of learning would be more positive than actual (objective) learning. In their meta-analysis, Burke and Day demonstrated lower mean effect sizes for actual learning than for the subjective estimates of learning regarding studies examining training content. This expected difference between trainee's self-estimates of learning and their actual learning formed the basis for the hypothesis in this study. Hypothesis: Trainees will be more positive in their subjective estimates of learning than their actual (objective) learning scores will indicate. This hypothesis was supported in part.

CAN PUSH DOWN ACCOUNTING CHANGE THE VALUE OF A COMPANY: A CASE STUDY

Jeff Hemker, Southern Illinois University Edwardsville
Brad Reed, Southern Illinois University Edwardsville

CASE DESCRIPTION

This case study illustrates how a little-known accounting method could change the price to acquire a company by over $1 billion dollars and result in a lawsuit between two well-known US companies. Pilot Travel Centers LLC, known today as Pilot Company can be traced back to 1958 when James Haslam II purchased a gas station in Virginia, laying the foundation for what would become a vast network of travel centers.

Between 2017 and 2023 Berkshire acquired an 80% stake in Pilot Corporation. Pilot Corporation has an annual 60-day window in which it can require Berkshire to purchase the remaining 20% of the company at a previously contractually agreed upon formula of 10 times the prior year's earnings before interest and taxes (EBIT). Now the Haslam family has filed a lawsuit against Berkshire accusing Berkshire of trying to lower the amount that would be paid to acquire the remaining 20% by using push down accounting at Pilot Corporation.

When a company is purchased, the company can choose whether to revalue its assets and liabilities on its own books, which is referred to as "push-down accounting" which indicates the company is pushing down the purchaser's price and using that value to revalue its assets and liabilities. This often results in higher book values for the company's assets and a resulting increase in depreciation. The net effect of implementing push-down accounting is to decrease the price that Berkshire would have to pay for the remaining 20% of the company by $1.2 billion.

This case is appropriate for an intermediate or advanced accounting course. The case helps illustrate (1) the use of earnings metrics other than net income, (2) the requirements and details of push down accounting and (3) the ethics of strategically using accounting method choices to reap economic benefits.

THE EFFECTS OF COVID-19 ON AIRLINE STOCKS

Trey Hicks, Longwood University
Frank Bacon, Longwood University

ABSTRACT

This study aims to test the market efficiencies of airline companies' stock after the announcement of a nationwide shutdown for COVID-19 as well as take a look at the overall stock market. These airline companies would likely sustain negative returns after the announcement because of the fear that came with flying for the time after. For this study, I analyzed 5 separate airline companies' stock prices risk-adjusted rate of return after the date of March 15, 2020. The airline companies after the announcement of a nationwide shutdown took a huge justified hit because everyone was living in fear. After all, nobody knew how serious the virus was and if it could lead to potential death for them. Airline stocks started to plummet abruptly after the announcement occurred. The air transportation industry took the largest hit from the announcement as well as the other in-person consumer-facing jobs. This supports the semi-strong form of market efficiency because investors could not react fast enough to the information coming in to turn a profit.

PURPOSE OF THE STUDY

The purpose of this study is to measure how fast the market can react to information coming in at a fast rate. The announcement of a shutdown was semi-predictable because more cases were popping up everywhere and therefore an event was observed the market reacted accordingly afterward and airline stocks were the ones that took the largest hit. This study is going to measure the market's efficiency after the announcement.

LITERATURE REVIEW

This study examines the top 5 airline companies and how the effects of the Covid shutdown announcement left their market value and how quickly it happened. The purpose was to see how much fear was put into the citizens and how that seeped into the aviation business. Some of the largest airline companies were affected by the news and they are still fighting back to get to the place they were before. I analyzed the 5 firm's prices, and the corresponding Standard & Poor's 500 Index (S&P 500) from 18 days before the event date of March 15, 2020, and 18 days after.

To test the effect of the announcement on the 5 firms' stock prices, and to test the semi-strong Market efficiency theory; I used the following hypothesis.

H1₀: *The risk-adjusted return of the stock price of the sample of the airlines is not significantly affected by this type of information on the event date.*

H1₁: *The risk-adjusted return of the stock price of the sample of airlines is significantly negatively affected by this type of information on the event date*

H2₀: *The risk-adjusted return of the stock price of the sample of airline firms is not significantly affected by this type of information around the event date as defined by the event period.*

H2₁: *The risk-adjusted return of the stock price of the sample of airline firms is significantly negatively affected around the event date as defined by the event period.*

Since this study is measuring the 180 days after the announcement and the 180 days before the announcement, we are going to measure the risk-adjusted methods, and using Yahoo Finance I was able to find the opening and closing stock prices. We will find the alpha and beta for each company's stock by running a regression using the market return, which is the S&P 500, as the independent variable, and the company's stock as the dependent variable. The intercept of the regression lines will be equal to the alpha value, and the standardized coefficient will be equal to the stock's beta.

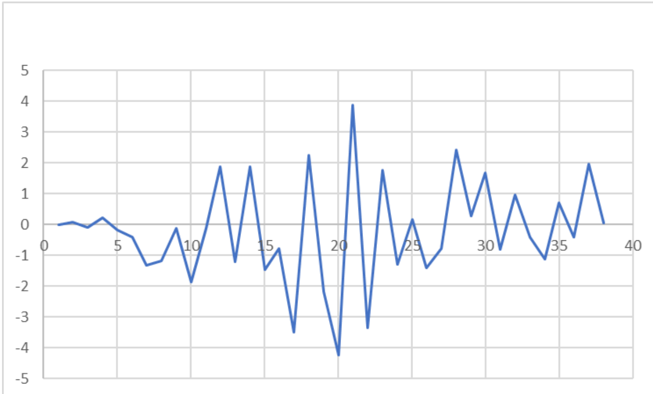
SAMPLE SELECTION

The airline companies I was able to gather data between September 17, 2019, and January 31, 2020. A regression analysis was then performed using the daily return of each airline and the corresponding S&P500 index daily return over the pre-event period day which was 180 days before to 30 days before the event period of day –30 to day +30 to obtain the alpha (the intercept) and the beta (standardized coefficient).

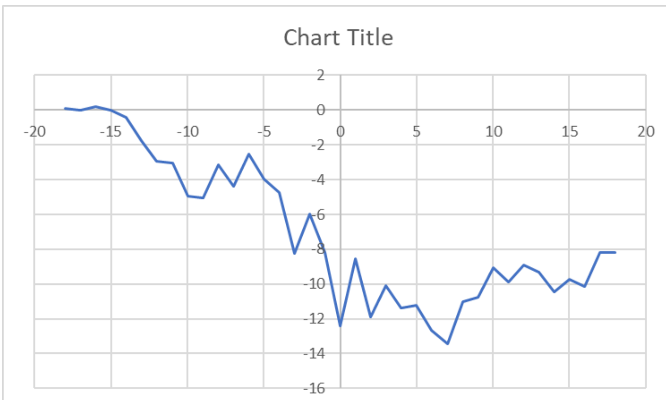
Firm	**Alpha**	**Beta**
American Airlines	-0.004251922128411	1.27296438062154
Delta Airlines	-0.00499770752221649	1.21178527786618
United Airlines	-0.00570210392176548	-0.402755655095435
Southwest Airlines	-0.00254880471991569	-0.315553289810242
Allegiant Airlines	-0.0029549753256299	-0.389322466323136

To get the normal expected returns, the risk-adjusted method was used. The expected return for each stock, for each day of the event period from 18 days before to 18 days after the announcement was calculated by: E(R) = alpha + Beta x (Rm), where Rm is the return on the market. We then calculate the excess return as the actual return minus the Expected Return. average excess returns were calculated for the 36 days surrounding the announcement date of March 15, 2020, by averaging the excess returns for all the firms for a given day. Below is the AER figure for the 5 firms that make up the data.

AER:



CAER



CONCLUSION

After studying the effects of the COVID-19 announcement on March 15th, 2020, we can conclude that we will reject the null hypothesis that The risk-adjusted return of the stock price of the sample of airlines is significantly negatively affected by this type of information on the event date. The data shows that the stocks of the airline industry dived after the announcement of a Nationwide shutdown. We see that leading up to the announcement the stock began to show negative returns and it peaked a little after the announcement. This shows us the semi-strong market efficiency because the common investor was unable to react fast enough to the idea of a shutdown so therefore they were not able to make a profitable return. The shutdown had an effect on the whole market for a long period with the people most affected being the customer-facing businesses like airlines and retail stores. The world is still recovering after the outbreak of Covid-19.

COLLAPSE OF FTX: A CASE STUDY

Marla Kraut, University of Idaho
Tracey Anderson, University of Idaho
Lela Pumphrey, University of Idaho

CASE DESCRIPTION

This case describes an actual fraud committed by the former chief executive officer of FTX US Derivatives. The case is a learning experience for the students to understand why an executive officer and his fellow executives would commit financial statement fraud and theft of assets. The case provides an opportunity for the students to learn about the Fraud Triangle (financial pressure, opportunity, and rationalization): how and why executives are motivated to commit financial statement fraud and misappropriation of assets; what factors were present that provided opportunity for the executives to commit financial fraud; and why the executives believed that they were entitled to commit financial fraud. The case also provides for a discussion of how the fraud can go undetected. Specifically, what were the "red flags" that the regulators, lenders, customers, and accounting firms failed to notice in the largest financial frauds in American history? What audit procedures could have detected the fraud? What are the implications of the discovery of this financial fraud (i.e., improvement of internal controls and corporate governance, increase in financial regulations for cryptocurrency exchanges, and added requirements for financial statement audits and audits of internal controls of cryptocurrency exchanges)?

CASE SYNOPSIS

FTX, headquartered in the Bahamas, was founded by Sam Bankman-Fried in 2019. FTX US Derivatives (FTX) was the world's third-largest cryptocurrency exchange with a market value of $32 billion and over one million customers in the summer of 2022. The company collapsed in November 2022, when numerous customers withdrew cryptocurrency deposits exposed an $8 billion shortfall in FTX's cash accounts. Binance, a competitor, initially agreed to step in and acquire FTX, but the company withdrew the bid after reviewing FTX's books and hearing reports of mishandled customer funds and alleged U.S. agency investigations.

On November 8 FTX filed for Chapter 11 bankruptcy. In addition to the funds owed to their customers, their top 50 creditors were owed $3.1 billion with only $1.24 available cash. FTX's affiliated hedge fund, Alameda Research, and dozens of other companies also filed for bankruptcy. FTX's CEO, Sam Bankman-Fried, resigned on November 11.

John Ray was appointed CEO by the US bankruptcy court. In the bankruptcy proceedings John Ray stated that he had never seen "such a complete failure of corporate control", he was "not confident of the accuracy of the unaudited financial statements of FTX and Alameda Research" and he was concerned that a "substantial portion of assets held by FTX may be missing *or stolen." It was alleged that FTX used $10 billion to support Alameda Research (its affiliated trading firm); paid employees millions for loans, for personal assets and personal expenses; and paid millions in political contributions allegedly in hopes of influencing future regulations of the cryptocurrency industry.*

In November 2023 Sam Bankman-Fried was found guilty of seven counts of financial fraud, embezzlement, criminal conspiracy, and other charges. His sentencing hearing is scheduled for March 28, 2024.

DISCUSSION QUESTIONS:

1. Ethical Considerations in Leadership: How do the actions of FTX's leadership reflect on ethical leadership practices in the fintech and cryptocurrency sectors? Discuss the role of ethical leadership in preventing fraud within organizations.

2. Impact of Corporate Culture on Fraud: To what extent did FTX's corporate culture contribute to the environment where fraud could flourish? Evaluate the relationship between corporate culture and ethical behavior in high-growth companies.

3. Regulatory Challenges in the Cryptocurrency Market: What specific challenges do regulators face in overseeing cryptocurrency exchanges, and how might these challenges have contributed to the FTX collapse? Propose measures that could enhance the effectiveness of regulatory oversight in the cryptocurrency sector.

4. The Role of Auditors and Financial Oversight: Examine the role and responsibilities of auditors and financial oversight bodies in detecting fraud within companies like FTX. What changes in audit practices could make them more effective in identifying red flags in similar companies?

5. Systemic Risks of Cryptocurrency Operations: Discuss the systemic risks that the collapse of a major cryptocurrency exchange like FTX poses to the global financial system. How can such risks be mitigated in the future?

6. The Future of Cryptocurrency Regulation: Based on the FTX case, what changes in regulation are needed to protect investors and ensure the stability of the cryptocurrency market? Analyze how regulatory frameworks need to evolve to keep pace with technological advancements.

7. Crisis Management and Recovery: How should companies in the cryptocurrency sector prepare for and manage crises to protect stakeholders' interests and ensure business continuity? Evaluate the response strategies employed by FTX and suggest improvements.

8. Investor Due Diligence in High-Risk Markets: What lessons can investors learn from the FTX collapse regarding due diligence and risk assessment in the cryptocurrency market? Discuss the importance of transparency and accountability in attracting and retaining investor trust.

9. Corporate Governance in Emerging Markets: How does the FTX case highlight the importance of corporate governance in emerging markets like cryptocurrency? Propose corporate governance practices that could prevent similar cases of fraud.

10. Ethical Implications of Political Contributions by Businesses: Analyze the ethical implications of FTX's political contributions. Discuss how businesses can ethically engage in political advocacy without compromising their integrity or influencing regulatory outcomes unduly.

EXPLORING THE IMPACT OF TUITION REIMBURSMENT PROGRAMS ON ACTUAL TURNOVER IN MANUFACTURING: PRE- AND POST-COVID INSIGHTS

Biron Monique Little, Middle Tennessee State University
Murat Arik, Middle Tennessee State University
Patrick Geho, Middle Tennessee State University

ABSTRACT

This study explores the efficacy of tuition reimbursement programs in addressing turnover and retention concerns, leveraging comprehensive data spanning pre- and post-COVID-19 pandemic periods. Through extensive survey data collected from manufacturing businesses in Middle Tennessee, encompassing four years and 1,247 responses, this study evaluates the impact of tuition reimbursement programs on turnover rates and perceptions through comparisons between organizations who provide tuition reimbursement benefits and those who do not. The findings suggest that organizations offering tuition reimbursement achieve lower turnover rates and perceive turnover as less of a challenge compared to their counterparts lacking such programs. Moreover, even with the upheaval wrought by the COVID-19 pandemic, these trends persisted, despite the overall inflation of turnover that began post-pandemic. In conclusion, this study advocates for the strategic integration of tuition reimbursement programs as a potentially powerful tool for mitigating turnover challenges and nurturing employee retention.

FDI AS A TOOL OF STATE ECONOMIC DEVELOPMENT: FDI LOCATION AND POLICYMAKER GOALS

Steven Livingston, Middle Tennessee State University

Most states spend substantial amounts of money to attract foreign investment. The economic development agencies that spearhead this recruitment are also tasked with encouraging in-coming investment to distressed counties, rural areas, or other economically lagging communities. This paper examines whether foreign investment is at all distinguishable from domestic investment in achieving this goal of attracting investment to the communities that need it most. I use the record of all domestic and all foreign investments made in the state of Tennessee from 2015-2023 for which the state assisted in any way with its location. I compare the two groups of investments on where they locate and when they locate. What is the extent to which the two mirror each other, and what are its implications?

Specifically addressed are:

1. *Is FDI more likely to go to distressed counties?*
2. *Is it more likely to go to rural areas?*
3. *Does FDI create more direct labor than domestic investment?*
4. *To what degree is it spatially correlated with domestic investment?*
5. *Is FDI more/less locationally concentrated than domestic investment?*

FINCEN'S NEW REPORTING REQUIREMENT: ARE YOU PREPARED?

Marty Ludlum, University of Central Oklahoma
Darrell Ford, University of Central Oklahoma
Jennifer Barger Johnson, University of Central Oklahoma

ABSTRACT

The federal government has a new reporting requirement in 2024 and it affects you. Too many "bad actors hide or benefit from their ill-gotten gains through shell companies or other opaque ownership structures" according to the Treasury Department. (Translation: a lot of politicians claim to own things they do not really own, and some politicians fail to disclose their questionable and/or foreign partners in business). Most people agree that these bad actors should be forced into the spotlight. To remedy this problem, in 2021, Congress passed the Corporate Transparency Act, which is managed and enforced by U.S. Dept of Treasury's Financial Crimes Enforcement Network (FINCEN). The Government has claimed to have done a "robust education and outreach campaign to raise awareness." I am always suspicious when the Government pats themselves on the back. Are you familiar with Beneficial Ownership Information Reporting? Here are the basics: Starting January 1, 2024, all businesses are required to report all persons who have beneficial ownership of the business. This sounds simple, right? The devil is in the details, as it always is.

Key Words: FINCEN, beneficial ownership, treasury, reporting

IDENTIFYING AND DEVELOPING NIL OPPORTUNITIES FOR COLLEGE ATHLETES

Kristen Maceli, Pittsburg State University

ABSTRACT

In 2021, the NCAA began allowing student athletes to profit from their name, image, and likeness (NIL). Previously, schools had mostly competed with each other in regard to recruiting and securing the best coaches, the most promising athletes, and, of course, the most donor dollars. But now, athletes had the opportunity to somewhat compete with each other individually for NIL deals that could benefit the athlete in unprecedented manners.

Of significance is the issue that some sports generate more revenue, and notoriety, for an institution. And, with some sports generating more revenue for an institution, NIL opportunities become more lucrative. Questions of fairness between and within programs continue to grow.

One could argue that college athletes have always been compensated. As little as 10 years ago, athletes' packages were valued at about $100,000 per year if taking into consideration what was being given to them through tuition, room, board, coaching, nutritional support, and physical trainers (Dorfman, 2013). Now, compensation can come in different forms, and is not always easy to discern. Three predominant compensations forms include recruitment incentives, maintenance payments, and payments to a "Bag Man" (Godfrey, 2014).

This paper looks at Division II athletes from a university in the Midwest. The institution has had numerous successful athletic programs, winning national championships and notoriety in multiple sports. The paper looks at the different types of opportunities for student athletes that could be developed at a local or the student hometown level. It also explores the different types of NIL deals student athletes could hope to secure.

SUSTAINABLE ENTREPRENEURIAL JOURNEYS: A CASE STUDY WITH THE FOUNDER OF BEAD & PROCEED LIMITED

Lane Graves Perry, III, Western Carolina University
Robert J. Lahm, Jr. Western Carolina University
Bridget Williams, Bead & Proceed Limited

ABSTRACT

Sustainable entrepreneurship is an important model of entrepreneurship that contributes to changing the traditional business landscape by integrating socially responsible practices alongside environmental consciousness. Three primary factors contribute to the concept of sustainable entrepreneurship. The leveraging of innovative business models with the intention of improving products, production processes, services, and organizational structures; the positive impact on the quality of life for communities without environmental expense; and balancing these factors while simultaneous generating financial returns to the business and the entrepreneur. These factors support the sustainable entrepreneur in pursuit of financial sustainability without negatively impacting the environment or corresponding communities.

Policy within this ecosystem advocating for the efforts, the United Nations commitment to promoting sustainable entrepreneurship on a global scale is evident in its documented action plan titled "Transforming our world: The 2030 agenda for sustainable development." Operationalized and framed by the 17 Sustainable Development Goals (SDGs), this agenda has fostered heightened support initiatives for companies spanning various sectors and nations, encouraging the development, growth, and implementation of sustainable entrepreneurship initiatives globally. This policy from the UN has impacted numerous organizations focused on a nexus of relevant issues including the repurposing of waste resources (e.g., Terracycle), sustainable agricultural production models (e.g., AeroFarms), fair trade efforts within the global market (e.g., World Fair Trade Organization), and ending poverty and hunger by combating gender inequality (e.g., BOMA). For the purposes of this study, the Bead & Proceed Limited venture is framed as a sustainable entrepreneurial venture designed to address the UN's 17 SDGs in an actionable way.

Adopting a case study methodology and a collaborative autoethnographic approach, the collaborative example provided here is intended to bridge the theory of sustainable entrepreneurship with its practice. The venture, Bead & Proceed Limited, has been built to be sustainable in its operations (e.g., sustainable/recycled parts and components used in products, living wages to marginalized people, measure impact, etc.), but then the purpose (mission, vision, core values) of the venture is to help address environmental issues through the educating and actioning education and action (framed by the UN SDGs).

Emergent themes have led to the development of a framework derived from this research and presents key themes discerned through Bead & Proceed's operational *experiences. The Sustainable Entrepreneur Enterprise Framework includes several dynamic themes: Mission Driven with a Clear Purpose; Sustainable Decision Making & Mindset; Social Value Proposition & Delivery for Impact; and Informed Future Action. These dynamic themes will be discussed and supported as contributions to the field's understanding of sustainable entrepreneurship.*

Keywords: sustainable entrepreneurship, United Nations Sustainable Development Goals, New Zealand, youth entrepreneurship

THE EFFECT OF TRANSFORMATIONAL LEADERSHIP ON EMPLOYEE ENGAGEMENT IN THE HOSPITALITY AND TOURISM INDUSTRY IN GREECE

Konstantinos Skandalis, University of the Aegean
Issam Ghazzawi, University of La Verne

ABSTRACT

Increasing employee engagement and intern commitment is crucial to organizational sustainability and success. Specifically, the purpose of this study is to confirm the importance of transformational leadership in employee engagement by considering the flow of services to customers in the hospitality and tourism industry. This paper is a modest attempt at investigating whether transformational leadership can bring about greater organizational engagement and commitment within the hospitality and tourism industry in Greece as relatively little is known about how employee engagement can be influenced by transformational leadership.

The research contributes to transformational leadership effects literature by providing empirical findings regarding its influence on employees' engagement in the hospitality industry in Greece.

Keywords: Leadership; transformational leadership; Greek hospitality and tourism industry; organizational commitment; employee engagement.

A CASE STUDY: ADOLF HITLER AND MAHATMA GANDHI

Paseuth Vang, Regent University

ABSTRACT

This case study research compares and contrasts Adolf Hitler's and Mahatma Gandhi's ethics. Leaders can create a magnificent movement for their subordinates or lead them to the worst nightmare. The sections will be divided into three parts. The first section will be a description of Hitler's life since he was a child to understand the cause of his actions. The second section will focus on Gandhi's life since he was a child to understand his life better. The third section will compare both personal ethics and demonstrate why they are a failure or a success. Gandhi demonstrated the perfect ethical leadership étiquette compared to Hitler because of doing the right thing. Also, Gandhi helped and supported society by promoting non-violence. Rather, Hitler was the representation of evil with his genocide against the Jews. Hitler exhibited both ruthlessness and egotistical ethics. Therefore, these two leaders represented two opposite types of leadership.

Keywords: Adolf Hitler, Mahatma Gandhi, Ethics, Leadership

THE FAILURE OF SILICON VALLEY BANK: A TEST OF MARKET EFFICIENCY

Luis Fernando Velho Dos Reis, Longwood University
Frank Bacon, Longwood University

ABSTRACT

The unexpected collapse of Silicon Valley Bank (SVB) on March 10, 2023, sent shockwaves through the tech industry, challenging established perceptions of market efficiency. SVB, a long-standing financial institution serving tech startups for nearly four decades, suddenly shifted from solvency to insolvency within 48 hours, marking the second-largest bank failure in U.S. history. This event questioned the principles of the Efficient Market Hypothesis (EMH), particularly its semi-strong form, which posits that rapid information absorption prevents significant stock price fluctuations in response to new information. This research employs an event study methodology to investigate SVB's collapse and its impact on the stock prices of 30 banks traded on the New York Stock Exchange. The study aims to discern whether stock returns exhibited reactions prior to, on, or after the public announcement of SVB's failure, thereby assessing market efficiency. Special attention is given to variations in market reactions among different bank categories and the implications for the EMH. Using historical stock and S&P 500 index data, the study analyzes holding period returns, performs regression analyses for pre-event periods, and calculates average excess returns. Results indicate statistically significant negative impacts on stock prices surrounding and on the event date, challenging the semi-strong form of the EMH. Furthermore, a decline in adjusted stock prices approximately 7 days before the event suggests anticipatory market behavior, in line with semi-strong market efficiency. The findings underscore the limitations of market efficiency theories in comprehending unforeseen events like bank collapses. SVB's case emphasizes the role of external factors, regulatory changes, and industry concentrations in shaping market responses. This research contributes empirical evidence to the discourse on market efficiency, highlighting the need for a nuanced understanding of market behaviors during crises. Lessons from SVB's collapse will inform regulatory approaches and risk management strategies, impacting future discussions on market efficiency. This study challenges prevailing notions of market efficiency and provides valuable insights into market dynamics during unprecedented events, influencing future discussions on regulation, risk management, and market efficiency.

Keywords: Silicon Valley Bank, bank failure, market efficiency, Efficient Market Hypothesis, event study, stock prices, financial market, regulatory framework.

INTRODUCTION

The sudden and devastating collapse of Silicon Valley Bank (SVB) on March 10, 2023, sent shockwaves through the epicenter of the tech industry, challenging established notions of market efficiency. SVB, a stalwart financial institution that had served tech startups for almost four decades, had earned the distinction of being the largest bank by deposits in Silicon Valley. However, within a mere 48 hours, SVB transitioned from solvency to insolvency, leading federal regulators to intervene and permanently close its doors. This seismic event marked the second-largest bank failure in the history of the United States, questions regarding market efficiency and the principles underpinning the Efficient Market Hypothesis (EMH) demand close examination.

The EMH, specifically its semi-strong form, postulates that in a market where information is rapidly absorbed, occurrences like the SVB collapse should not trigger significant fluctuations in stock price returns of other financial institutions. This theory argues that stock prices adjust so promptly to new information that no investor can exploit public knowledge to gain abnormally high returns. However, SVB's abrupt downfall challenges these theoretical tenets, calling into question the extent to which it challenges our understanding of market efficiency.

In financial literature, event studies are instrumental in assessing the impact of public announcements on stock returns. These studies encompass a broad spectrum of events, ranging from highly anticipated to entirely unforeseen, each capable of exerting substantial influence on the financial market. Nevertheless, the timing of the market's response to new information is of paramount importance. How quickly did stock returns react to the new information? The timing hinges on the extent to which investors had insights into the event before its public disclosure and whether previous experiences with analogous events within a similar timeframe allowed some degree of anticipation.

This study seeks to address a series of fundamental questions arising from SVB's collapse. It aims to determine whether stock returns exhibited reactions prior to, on, or after the public announcement of SVB's failure. Moreover, it endeavors to evaluate the stock market's efficiency in assimilating this new public information. Does the market's response align more closely with the weak form or the semi-strong form of market efficiency, as per the EMH? Particularly, are distinct variations observed in the market's reaction among different categories of banks, such as savings and loan institutions versus money center banks?

The core objective of this event study is to offer an empirical evaluation of the semi-strong form of the Efficient Market Hypothesis, assessing the consequences of SVB's collapse on the stock price returns of other financial institutions. In doing so, it seeks to investigate whether SVB's dramatic fall challenges or reaffirms the principles of market efficiency. An essential premise guiding this study is that a genuinely efficient market should exhibit minimal reactions on the announcement date, as stock prices should already reflect all available historical and public information related to this event. This study tests a sample of 30 banks traded on the New York Stock Exchange (NYSE). These banks represent a diverse cross-section of the financial industry. This research seeks to test market efficiency theories in the face of extraordinary banking failures.

LITERATURE REVIEW

Bank failures, while not uncommon in the annals of financial history, have consistently punctuated the stability of financial markets. They underscore the vulnerability of even the most prominent financial institutions, particularly when economic conditions are adverse. The 2008 global financial crisis, marked by the collapse of Lehman Brothers and the acquisition of Washington Mutual, the largest bank failure in U.S. history at the time, exemplified the vulnerabilities of financial institutions. These events highlighted the perils of excessive risk-taking and asset mismanagement, left unregulated and unchecked. However, SVB's dramatic collapse in 2023 evoked parallels with these previous financial crises, demanding a nuanced examination of its unique attributes.

In response to the 2008 global financial crisis, regulators undertook significant efforts to bolster the regulatory framework aimed at safeguarding the banking sector. These reforms encompassed stricter capital requirements, stress tests, and enhanced supervision to ensure financial institutions maintained a sufficient cushion to withstand economic shocks. The subsequent years witnessed the introduction of safeguards aimed at preventing a recurrence of the 2008 crisis. Nonetheless, one of the prevailing questions arising from SVB's collapse is whether the deregulatory measures of 2018 played a role in the bank's failure. This regulatory rollback aimed to ease restrictions on banks, potentially relaxing the reins on banking practices and risk management. As such, a critical need arises to ascertain the extent to which deregulation may have contributed to SVB's downfall.

SVB's role as a financial cornerstone in Silicon Valley's tech ecosystem introduces an additional layer of complexity. The concentration of funds and economic interdependencies within a specific industry sector raises questions about systemic risk. When a financial institution caters extensively to one sector, as was the case with SVB in the tech industry, it amplifies systemic vulnerabilities. This situation underlines the importance of diversification and risk management in banking, especially when financial institutions serve sectors that are subject to rapid fluctuations. One of the inherent challenges of the financial system is the potential for contagion or systemic risk. Banks are interconnected, and a crisis at one institution can lead to a loss of confidence in the broader market, triggering runs on other banks. The risk of contagion became apparent in the aftermath of SVB's collapse. Signature Bank, another financial institution, faced difficulties and needed assistance from the Federal Deposit Insurance Corporation (FDIC). The specter of systemic risk and contagion raises critical questions about the interlinkages between banks and their collective impact on financial stability.

The case of SVB provides a wealth of challenges and lessons in the realm of bank failures. Predicting and preventing these crises remain intricate endeavors, even with an array of safeguards in place. The unique dynamics of the financial ecosystem, coupled with external economic forces, can create vulnerabilities that are challenging to foresee. The role of regulation and the potential impact of deregulation continue to be subjects of debate. The SVB case raises questions about the effectiveness of regulatory mechanisms and the role of regulators in ensuring financial institutions' stability. It underscores the importance of a careful balance between regulation and fostering a healthy financial environment.

The concentration of funds and the risks of over-exposure to specific sectors and industries are critical issues, particularly for banks that cater to niche markets. In a rapidly evolving economic landscape, diversification and risk management remain fundamental to stability. Contagion and systemic risk, as illustrated by the challenges faced by Signature Bank in the wake of SVB's collapse, highlight the need for comprehensive monitoring of financial institutions' interlinkages and their collective impact on the financial system. As the financial industry continues to evolve and face new challenges, lessons from the SVB case and other significant bank failures will guide future regulatory approaches, risk management practices, and the understanding of market efficiency in the context of extraordinary events.

This review provides a comprehensive landscape of the challenges and dynamics surrounding bank failures, offering valuable context for the examination of the SVB case. The subsequent analysis will delve into the empirical data of stock returns and market efficiency, aiming to elucidate the extent to which SVB's collapse aligns with or diverges from the principles of market efficiency as per the Efficient Market Hypothesis.

METHODOLOGY AND STUDY SAMPLES

This study examined 30 samples consisting of banks in order to test the impact of the announcement of Silicon Valley Bank's failure on stock price returns. The study event date was the SVB failure on March 10, 2023. Bank stock price and the corresponding S&P Index data was collected from 180 days prior to 30 days after the event date.

Using standard event study methodology from the finance literature this study analyzed the sample of banks against the corresponding S&P 500 Index with around 6,510 observations to test the semi-strong form efficient market hypothesis with respect to the announcement of the Silicon Valley bank failure. The announcement date of the SVB failure is day 0. Historical stock and corresponding S&P 500 prices used in this event study were obtained from the Yahoo Finance website (http://finance.yahoo.com). The following steps were taken to conduct the event study test.

The historical stock prices for the samples of banks as well as the S&P 500 index were obtained for the event period from -180 days to +30 days from the event date. Days -30 through +30 are considered the event period and day 0 is considered the announcement date of March 10, 2023. Next, the holding period returns of the banks and the corresponding S&P index were calculated for each day in this study period using the following formula: HPR = (Current day's closing price – Previous day's closing price) / Previous day's closing price. Then, a regression analysis was performed for the pre-event period from day -180 through day -31 using the actual daily return percentage for each of the banks as the dependent variable and the corresponding S&P 500 daily return percentage as the independent variable. Table 2 shows the alphas and betas for each bank. Next, the risk adjusted method was used in order to calculate the normal expected returns as follows: E(R) =(alpha + beta)*(Rm), where Rm is the return of the market (S&P 500 index). After that, the excess return was calculated as follows: ER = Actual Return (R) – Expected Return E(R). The Average excess returns (AER) were calculated for each day during the event period (from -30 through +30) as follows: AER = Sum of all excess returns for each day / N where: N equal the number of banks. Then, the Cumulative AER (CAER) was calculated for the event period by adding the AERs for each day for the sampled banks. After that, graphs of the AER and CAER were plotted for the event period and are included in Graph 1 and Graph 2. To test for semi-strong market efficiency on the Silicon Valley Bank failure announcement, the following null and alternative hypotheses are used for the bank sample:

$H1_0$: The risk adjusted return of the stock price of the sample of banks is not significantly affected by this type of information on the announcement date.

$H1_1$: The risk adjusted return of the stock price of the sample of banks is significantly negatively affected by this type of information on the announcement date.

$H2_0$: The risk adjusted return of the stock price of the sample of banks is not significantly affected by this type of information around the announcement date as defined by the event period.

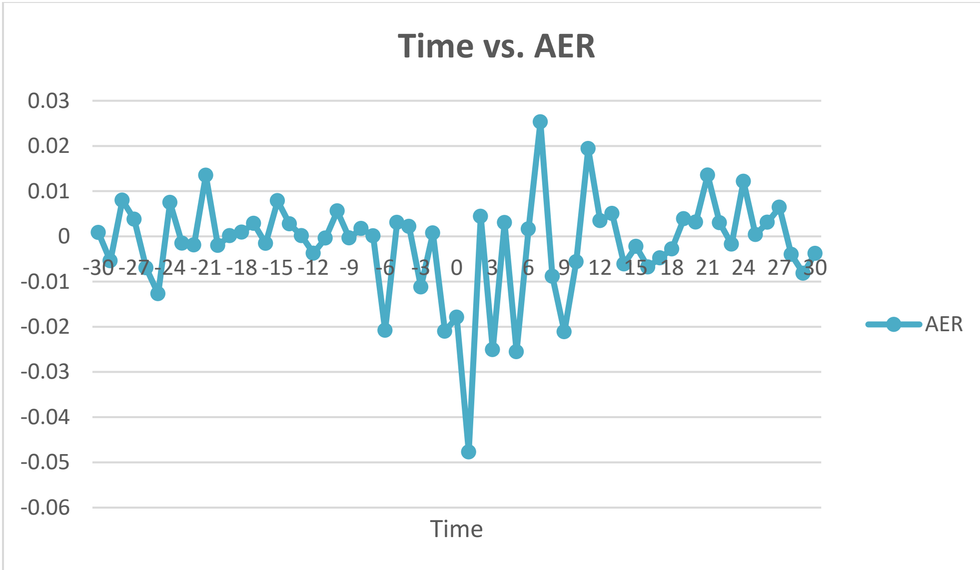
$H2_1$: The risk adjusted return of the stock price of the sample of banks is significantly positively or negatively affected around the announcement date as defined by the event period.

QUANTITATIVE TESTS AD RESULTS

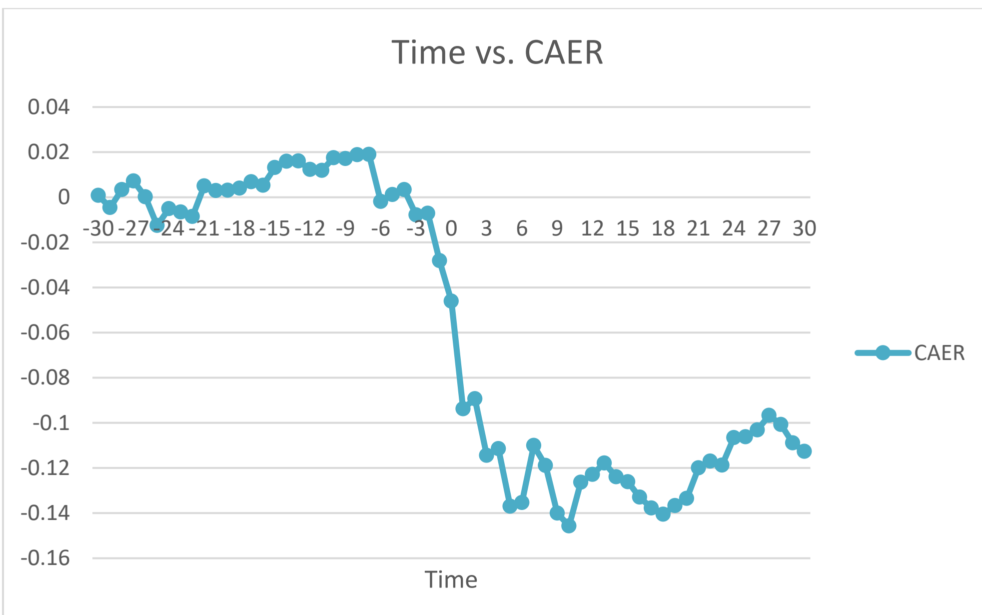
In evaluating the impact of the Silicon Valley Bank collapse on the market, the examination focused on discerning whether the associated information carried significance and provoked a notable market reaction. A critical element of this assessment involved scrutinizing the average excess daily returns depicted in Graph 1. The expectation was that if the information surrounding the event introduced new and substantial insights, the average excess daily returns would exhibit a statistically significant departure from zero. Additionally, this departure would manifest in variance from the cumulative average excess returns. Employing a paired t-test to scrutinize the statistical distinction between risk-adjusted daily average excess returns and cumulative average excess daily returns over the event period (day -30 to +30), the findings substantiated alternative hypotheses H11 and H21. The implications suggest a significant negative impact on the stock prices of the sample firms surrounding and on the event date.

Further analysis sought to gauge the efficiency of the market in processing and reflecting this information. A pivotal aspect of this assessment involved the examination of the Cumulative Average Excess Returns (CAER) to determine its statistical deviation from zero. Concurrently, an in-depth analysis of the graphical representation mapping time against CAER, presented in Exhibit 2, was conducted. The findings from Exhibit 2 indicate a discernible decline in the adjusted rate of return on stock prices approximately 7 days before the event date. This observed pattern aligns with the tenets of the semi-strong market efficiency theory, signifying that the market, to a considerable extent, anticipated the bankruptcy event, evident in the negative decline in stock prices.

GRAPH 1: Time vs. Average Expected Return



GRAPH 2: Time vs. Cumulative Average Excess Return



CONCLUSIONS

The collapse of Silicon Valley Bank (SVB) on March 10, 2023, serves as a pivotal event that challenges conventional notions of market efficiency. This study undertook a rigorous examination of the implications arising from SVB's failure, aiming to ascertain its impact on the broader financial market and the application of market efficiency theories. By conducting an event study encompassing a diverse sample of 30 banks traded on the New York Stock Exchange, this research sought to analyze the reactions of stock returns before, during, and after the announcement of SVB's collapse.

The empirical findings obtained through quantitative analysis have unveiled significant insights. The assessment of average excess daily returns, coupled with a paired t-test, corroborated alternative hypotheses H11 and H21, indicating a statistically significant negative impact on the stock prices of the sampled firms surrounding and on the event date. This outcome underscores the substantial effect of SVB's collapse on the market, challenging the assumption of immediate and efficient information absorption posited by the semi-strong form of the Efficient Market Hypothesis (EMH).

Moreover, a comprehensive evaluation of Cumulative Average Excess Returns (CAER) reinforced the notion that the market demonstrated anticipatory behavior approximately 7 days before the event date. The discernible decline in adjusted stock prices aligns with the principles of semi-strong market efficiency, suggesting that the market anticipated SVB's bankruptcy, resulting in the observed negative trends in stock prices.

The implications arising from this study highlight the limitations of market efficiency theories in capturing the intricate dynamics surrounding significant and unforeseen events such as bank collapses. While the EMH advocates for swift information absorption and efficient pricing, SVB's collapse challenges these theories by revealing notable deviations from expected market behaviors.

The SVB case underscores the complexities inherent in the financial market, emphasizing the role of external factors, regulatory changes, and systemic interlinkages in shaping market responses. It also emphasizes the importance of considering unique industry concentrations, such as SVB's dominance in the tech sector, and their potential systemic implications.

In conclusion, this research contributes valuable empirical evidence to the ongoing discourse on market efficiency, emphasizing the need for a nuanced understanding of market behaviors in response to extraordinary events. The findings offer crucial insights into the limitations of market efficiency theories and underscore the importance of comprehensive evaluations that consider diverse factors influencing market dynamics. As the financial landscape continues to evolve, lessons from SVB's collapse will inform future regulatory approaches, risk management strategies, and further discussions on market efficiency in times of crisis.

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THE FACES OF LEADERSHIP: DO DIVERSITY STATEMENTS IMPACT COMMUNITY REPRESENTATION IN SOCIAL MEDIA CONTENT?

Kathryn Woods, Austin Peay State University
Terry Damron, Austin Peay State University

ABSTRACT

Civic Leadership programs and Young Professionals programs are two common subgroups often organized and sponsored by Chambers of Commerce throughout the United States. Social media accounts representing these groups serve as a primary source of information for prospective new members and a reflection of the state of business and community leadership to a broader audience. Studies show that racial and ethnic disparities exist in business ownership and leadership, and these disparities may be exacerbated by media representation. The purpose of this study was to examine the racial and ethnic representation of individuals featured on these groups' social media platforms to understand the extent to which these organizations embed cultural competency into their online communications. The research questions explored in this study were:

(1) Controlling for population demographics, how representative of the community's residents were photos posted on Twitter or Facebook by Civic Leadership organizations and Young Professionals groups?

(2) Are differences present in the accuracy of demographic representation in photos posted on Twitter or Facebook by Civic Leadership organizations and Young Professionals groups when the sponsoring Chamber of Commerce has proclaimed specifically to be committed to formal efforts in improving Diversity, Equity, and Inclusion in the local business community?

The researchers compared the demographics of individuals (n=95,436) depicted in the images posted on Chamber of Commerce-sponsored Civic Leadership and Young Professionals Facebook and Twitter accounts for a one-year period with the demographics of the communities they represent. Descriptive and inferential statistics were used to highlight areas of under-representation, accurate representation, and over-representation of various racial and ethnic groups. Researchers also investigated differences between the frequency of over- or under-representation of groups between organizations that proclaimed specifically to be committed to formal efforts in improving Diversity, Equity, and Inclusion and those that had not.