# Hot Articles

"December|2016"

## Business & Economics

**Title:** Effects of industry forces, market orientation, and marketing capabilities on business performance: An empirical analysis of Japanese manufacturers from 2009 to 2011

**Author:** Hidesuke Takata

**Journal:** Journal of Business Research

**Volume:** 69 **Issue:** 12 **Page:** 5611–5619

**Doi:** 10.1016/j.jbusres.2016.03.068

### Abstract

This study examines the stability and relative importance of the effects of industry forces, market orientation, and marketing capabilities on business performance through partial least squares structural equation modeling (PLS-SEM) analysis of survey data (n = 568) from Japanese manufacturers over the course of three years (2009–2011). The findings indicate that the direct effect of marketing capabilities on performance is stable over the three years investigated. The results also suggest that marketing capabilities are the most important driver of performance, followed by industry forces, specifically, competitive rivalry and power of suppliers, and market orientation. Furthermore, market orientation has an indirect effect on performance through marketing capabilities. Marketing capabilities have a stronger effect on performance in cases of high competitive rivalry compared with those of low competitive rivalry. Within the different marketing capabilities, new product development and pricing are the primary factors. Channel management is more important in cases of high competitive rivalry.

### Database

ScienceDirect

[Business & Economics]

**Title:** Do the size, value, and momentum factors drive stock returns in emerging markets?

**Author:** Nusret Cakici, Yi Tang, An Yan

**Journal:** Journal of International Money and Finance

**Volume:** 69 **Issue:** December 2016 **Page:** 179–204

**Doi:** 10.1016/j.jimonfin.2016.06.001

### Abstract

This paper investigates the size, value, and momentum effects in 18 emerging stock markets during the period 1990–2013. We find that size and momentum strategies generally fail to generate superior returns in emerging markets. The value effect exists in all markets except Brazil, and it is robust to different periods and market conditions. Value premiums tend to move positively together across different markets, and such inter-market comovements increase overtime and during the global financial crisis.

### Database

ScienceDirect

Title: [A hybrid electric vehicle market penetration model to identify the best policy mix: A consumer ownership cycle approach]

Author: Yongseung Lee, Chongman Kim, Juneseuk Shin

Journal: Applied Energy

Volume: 184 Issue: December 2016 Page: 438–449

Doi: 10.1016/j.apenergy.2016.10.038

Abstract

HEV market penetration exists in a circular loop of purchase, use, retirement, and repurchase, i.e., the consumer ownership cycle. Existing HEV market penetration models focus on a single linear process, such as purchasing, without considering other processes. Market penetration policies based on such models can facilitate a single process, but they cannot boost market penetration as planned. Combining system dynamics with consumer choice models, we propose a new HEV market penetration model to describe the dynamic circular market penetration process as well as its interaction with macroeconomic conditions and government policies. In this way, our model finds bottlenecks, estimates the future effects of different policies to solve bottlenecks, and identifies more effective combinations of policies to boost HEV market penetration. Our empirical analysis of Korean HEV market penetration reveals that combining a tax incentive and retirement subsidy will be more effective than offering either of those alone. Also, HEV market penetration becomes slower when the tax incentive is smaller than the retirement subsidy (or vice versa) because consumers escape the market penetration loop.

Database

ScienceDirect

**Title:** [An analysis of asymmetric consumer price responses and asymmetric cost pass-through in the French coffee market]

**Author:** Celine Bonnet, Sofia B. Villas-Boas

**Journal:** European Review of Agricultural Economics

**Volume:** 43 **Issue:** 5 **Page:** 781-804

**Doi:** 10.1093/erae/jbw001

## Abstract

We empirically analyse a possible channel for the existence of asymmetric price-cost pass-through, that is, of prices responding differently to negative and positive upstream cost shocks. While the existence of asymmetric price-cost pass-through has been documented in many markets, possible causes for such a phenomenon have not been investigated empirically. Using consumer panel data in the coffee retail sector in France, we structurally estimate a demand model allowing for asymmetric consumer responses to positive and negative retail price changes. According to the demand estimates, we indeed find significant evidence that consumers react differentially to positive and negative price movements, in that demand is less elastic to price increases than to price decreases. Then, using counterfactual simulations within an equilibrium model of demand and supply side behaviour, we investigate empirically the extent to which the existence of the estimated demand asymmetries contributes to asymmetric responses of equilibrium prices of imperfectly competing firms, given upstream negative and positive cost shocks. We do so by simulating positive and negative costs shocks, given the estimated demand model with asymmetric demand responses. We compare those changes in prices to changes in prices resulting from the same magnitude of cost shocks under a counterfactual demand structure without demand asymmetries. Our findings suggest that not allowing for asymmetries in demand implies similar magnitudes of simulated price-cost pass-through rates from positive and negative cost shocks. When we allow for demand asymmetries, however, a positive cost shock is passed through to retail prices to a greater degree than a negative cost shock of the same magnitude. Our findings imply that the shape of the demand curve could explain observed asymmetric price transmission of cost shocks in the context of imperfectly competitive markets.

## Database

Oxford Journal

**Title:** [Joint use of attribute importance rankings and non-attendance data in choice experiments]

**Author:** Ali Chalak, Mohamad Abiad and Kelvin Balcombe

**Journal:** European Review of Agricultural Economics

**Volume:** 43 **Issue:** 5 **Page:** 737-760

**Doi:** 10.1093/erae/jbw004

### Abstract

The joint and alternative uses of attribute non-attendance and importance ranking data within discrete choice experiments are investigated using data from Lebanon examining consumers' preferences for safety certification in food. We find that both types of information such as attribute non-attendance and importance rankings improve estimates of respondent utility. We introduce a method of integrating both types of information simultaneously and find that this outperforms models where either importance ranking or non-attendance data are used alone. As in previous studies, stated non-attendance of attributes was not found to be consistent with respondents having zero marginal utility for those attributes.

### Database

Oxford Journal

**Title:** Can monitoring improve the performance of state-owned firms? Evidence from privatization in a large emerging market

**Author:** Sharon Poczter

**Journal:** Industrial and Corporate Change

**Volume:** 25 **Issue:** I6 **Page:** 903-921

**Doi:** 10.1093/icc/dtv056

Abstract

While privatization has long been a central pro-market strategy for promoting competitiveness, little is known about which aspects of this multilevel process impact firm performance. Agency theory predicts that privatization will improve firm performance due to changes in monitoring by shareholders, the incentives of management, and the political control of the government. Measuring how each of these three pathways impact firm performance separately is difficult, however, as most privatizations result in the transfer of both ownership and control to private investors, influencing several of these pathways at once. This article is able to circumvent this limitation by examining changes to firm performance from the minority privatization of Indonesian state-owned firms during whic\h firms experience only changes in monitoring, as majority state ownership and control remain the same. Difference-in-differences analyses suggest that changes to monitoring improve firm performance by 9–13%, controlling for cross-sectional, time-invariant, and time-varying firm characteristics, macroeconomic issues affecting all firms, selection issues, and considering several alternative hypotheses. Altogether, this article suggests that firm performance via privatization can improve through changes to monitoring alone, without implementing the costly organizational changes required by complete privatization or requiring that the state relinquish control of socially important firms.

Database

Oxford Journal

[Business & Economics]

**Title:** Economics at the Antitrust Division 2015–2016: Household Appliances, Oil Field Services, and Airport Slots

**Author:** Randy C. Chugh, Nathan G. Goldstein, Eric K. Lewis, Jeffrey S. Lien, Deborah Minehart, Nancy L. Rose

**Journal:** Review of Industrial Organization

**Volume:** 49 **Issue:** 4 **Page:** 535–556

**Doi:** 10.1007/s11151-016-9550-z

Abstract

This article provides an overview of economic analysis in three prominent merger investigations and litigations: Electrolux's proposed acquisition of General Electric's appliance division, Halliburton's bid for Baker Hughes, and United Airline's attempt to acquire additional airport slots at Newark Liberty International Airport. In each, the parties abandoned their proposed transaction after the Division had filed suit to block the acquisition. While we cannot recount all the analyses underpinning these outcomes, we hope to provide some insights into the challenges of enforcing antitrust law and the way in which economic analysis in particular is used to address those challenges.

Database

SpringerLink

**Title:** Volatility and Market Risk of Rubber Price in Malaysia: Pre- and Post-Global Financial Crisis

**Author:** Han Hwa Goh, Leng TanChia, Ying Khor, Sew Lai Ng

**Journal:** Journal of Quantitative Economics

**Volume:** 14 **Issue:** 2 **Page:** 323-344

**Doi:** 10.1007/s40953-016-0037-4

### Abstract

The volatility in rubber price is a significant risk to producers, traders, consumers and others who are involved in the production and marketing of natural rubber. Such being the case, forecasting the rubber price volatility is desired to assist in decision-making in this uncertain situation. The 2008 Global Financial Crisis caused some disruptions and uncertainties in the future supply or demand for natural rubber and thus leading to higher rubber price volatility. Using ARCH-type models, this paper intends to model the dynamics of the price volatility of Standard Malaysia Rubber Grade 20 (SMR 20) in the Malaysian market before and after the Global Financial Crisis. Additionally, Value-at-Risk (VaR) approach is implemented to evaluate the market risk of SMR 20. Our empirical result denotes the existence of volatility clustering and long memory volatility in the SMR 20 market for both crisis periods. Leverage effect is also detected in the SMR 20 market where negative innovations (bad news) have a larger impact on the volatility than positive innovations (good news) for post-crisis period. When tested with Superior Predictive Ability (SPA) test, FIGARCH model is the best model across five loss functions for short- and long-term forecasts for pre-crisis period. Meanwhile, over post-crisis period, FIGARCH and GJR GARCH indicate the superior out-of-sample-forecast results and better forecasting accuracy over short- and long-term horizons, respectively. In terms of market risk, the short trading position encounters higher risk or greater losses than the long trading position at both 1 and 5 % VaR quantile for pre-crisis period. In contrast, over post-crisis period, long traders of rubber SMR 20 tend to face limited gains but unlimited losses.

### Database

SpringerLink

Title: The depression of 1920–1921: a credit induced boom and a market based recovery?

Author: Patrick Newman

Journal: The Review of Austrian Economics

Volume: 29 Issue: 4 Page: 387-414

Doi: 10.1007/s11138-015-0337-5

Abstract

This paper examines the American post-WW1 boom and bust. It argues that the Federal Reserve’s monetary easing from 1919 to 1920 created an Austrian Business Cycle (ABC), or an unsustainable credit boom. The collapse of the boom initiated the Depression of 1920–1921. The subsequent laissez faire policy promoted a swift recovery. In particular, the natural recovery began following a severe liquidation of firms, reallocation of resources, and wage cuts stimulated by fiscal and monetary contraction. Contrary to some other accounts, we find that significant recovery began before the Federal Reserve’s 1921–1922 monetary easing affected the economy. We also address other criticisms of the credit-cycle interpretation.

Database

SpringerLink

**Title:** Religion, Markets, and Digital Media Seeking Halal Food in the U.S.

**Author:** Yusniza Kamarulzaman, Ann Veeck, Alhassan G. Mumuni, Mushtaq Luqmani, Zahir A. Quraeshi

**Journal:** Journal of Macromarketing

**Volume:** 36 **Issue:** 4 **Page:** 400-411

**Doi:** 10.1177/0276146715622243

## Abstract

This study explores the role that social media serves in mediating and connecting religious communities and markets through a netnographic study of the search for halal food in the U.S. We find that social media websites can serve as important tools for overcoming obstacles to finding and verifying halal food sources, including barriers of physical access, authenticity, and quality. At a macro level, social media platforms have the potential to moderate the relationship between religion, the market, and consumption in a number of important ways, such as providing a venue for dialogues related to standards of commitment and faithfulness, serving as a community-based arbiter of standards, supporting identity constructions, and helping to overcome the marginalization associated with minority populations.

## Database

SAGE Journals