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TABLE OF CONTENTS

DIGITALIZATION OF PUBLIC SERVICES AND THE SERVICES QUALITY PERCEPTION.....9

DUMITRU GOLDBACH

MĂDĂLINA VIȘAN

VALERIA OANA PARASCHIV

IONEL DUMITRU

HUMAN CAPITAL IN DEVELOPING COUNTRIES: COMMON CHALLENGES AND THE PATH FORWARD18

MARJAN ENTEKHABI

THE INFLUENCE OF LIFE EVENTS ON YOUNG CONSUMERS' COMPULSIVE SHOPPING TENDENCIES30

NATASHA NAGEL

MONICA M. POPA SÂRGHIE

DISCOVERING EFFICIENT KEYWORDS – AN EXPLORATORY STUDY ON COMPARING THE USE OF CHATGPT AND OTHER THIRD-PARTY TOOLS.....40

PINGJUN JIANG

AN ASSESSMENT OF CUSTOMER PERCEPTIONS TOWARDS PRODUCT PACKAGING DESIGN CHANGES: INSIGHTS FROM THE BOTSWANA FAST-MOVING CONSUMER GOODS BUSINESS.....46

DOUGLAS CHIGUVI

THUSO SEPEPE

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Abstract

The digital era has changed all sides of our life. Citizens expect a greater number of digital services not just in their personal life, but also when interacting with government agencies. Despite its multiple advantages, the digitization of Romania's public sector is still difficult to achieve. Adoption barriers range from privacy concerns and user opposition to individualized ability limitations. To get the most on the positive impacts of digitalization in public services, the crucial first phase is likely to be setting up digital trust. Therefore, public administrations ought to take part in digital trust building to get over current obstacles to digitalizing public services and to build a modern, efficient, and citizen-oriented administration. Another important aspect is the degree of digitization of civil servants, but also the digital education level of citizens, combined with the socio-economic context, access to new technologies and the presence of specific equipment. In this context, I conducted a study in one of the counties of Romania characterized by a low economic level. The majority of research participants (N=323) indicate the use of social networks with a daily frequency, in the current activity, the transfer does not occur. Also, the lack of concern of the local authority to increase the digitization level of civil servants makes the use of modern means of interaction not possible.

Keywords: digitalization, public services, services, quality perception.

JEL classification: M31.

Introduction

In the current global context, public administration faces a major challenge. This challenge concerns the way in which the citizen interacts with the state institutions. Most of the time, the citizen-public institution interaction can also be managed in a format where the benefits of modern technology solve many of the requests.

1. Research objectives

In this sense, we will carry out a quantitative research in Călărași county. In this sense, we will carry out an opinion poll based on a questionnaire to which all representatives of the UATs from Călărași and Teleorman counties will be invited to participate. Through the questionnaire, we aim to capture elements essential to the concept of digitization, namely: the

degree of digital education of UAT representatives, the existence of concrete projects regarding the digitization of public services, the perception of the importance of migrating to the digital area, the use of specific tools this field etc.

2. Results

Starting from the previously presented objectives, we created a questionnaire in which we sought to capture the following aspects:

1. The frequency of using digital services in personal activity to pay bills, fees and taxes;
2. Use of social networks for personal purposes;
3. The existence of a web page of the institution that the respondent represents;
4. The existence of Cloud resources/applications of the institution that the respondent represents;
5. The percentage of employees who use the Internet to perform tasks specific to the activities/processes within the institution you represent;
6. The average age of employees in the institution;
7. The degree of digital literacy of the institution's employees;
8. The percentage of employees who participated in training courses aimed at increasing employees' digital skills;
9. Services offered to citizens for payments/access in digital format;
10. Percentage of fees and taxes paid digitally in 2020 and 2021;
11. Appreciation of the level of digital education of the community to which it provides public services;
12. The role of digital literacy of civil servants in the process of relating to the local community;
13. Possession of a digital skills attestation certificate at the level of civil servants;
14. The perception of digitization – factor for improving the public services offered;
15. The level of institutional digitization;
16. Competences of public service customers to use digital public services;
17. Socio-demographic elements.

According to public data, Călărași County has a number of 55 UATs (municipalities and cities), the organizational structure respecting the algorithm Mayor, Vice Mayor (between 1 and 3 positions depending on the size of the community), General Secretary, Deputy General Secretary, Administrator. According to the data provided by the National Institute of Social and Economic Statistics (INSSE), the structure of the population of Călărași County is as follows:

Table 1. The structure of the population of Călărași County

Age	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60+
Urban	6.122	5.996	8.906	8.963	9.649	9.460	12.202	6.514	27.860
Rural	11.102	10.258	12.922	11.970	6.878	7.604	16.933	8.101	41.793
Male	8.859	8.476	11.375	10.946	11.146	12.258	14.825	7.398	28.717
Female	8.365	7.778	10.453	22.899	23.968	11.710	14.310	7.117	40.936

Source: Authors.

Therefore, we note the fact that, at the level of Călărași county, 57.14% of the total population comes from the rural environment, while 42.86% comes from the urban environment. At the same time, we note a higher share of female persons (56.41%) compared to male persons (43.59%). Starting from these data we notice a large share of the population in the rural area, therefore it is assumed that there is not a very high level in terms of the use of tools specific to the concept of digitalization of services offered by public institutions (online

payment of taxes and local taxes , the use of resources such as the online registry, the one-stop shop, etc.). In this sense, for the quantitative research, the sample used includes a number of 323 people (N=232), of which 56% are female and 44% male. The age of the respondents is between 22 and 68 years.

Table 2. Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Age	323	22	68	48,24	8,255
Valid N (listwise)	323				

Source: Authors.

From the point of view of completed studies, we note that the highest percentage is that of university graduates (61.9%), followed by high school graduates (19.2%), master's studies (9.9%) and graduates of vocational school (8.4%). Next, the participants in the quantitative research were asked to evaluate the frequency with which they use the tools specific to digitized services (paying invoices, paying fees and taxes, obtaining various documents provided by the local authority) on a personal level. In other words, we aimed to identify the existence of a predisposition to use digital services. Thus, the recorded results revealed that 77.4% of the respondents are users of digitized services ("often", "very often", "always"), while 15.8% use them only with a very low frequency and not at all.

Table 3. Evaluation of the frequency with which they use the tools specific to digitized services

How often do you use digital services in your personal work?			
		Frequency	Percent
Valid	Never	15	4,6
	Rarely	7	2,2
	Rare	29	9,0
	Frequently	159	49,2
	Very often	73	22,6
	Always	18	5,6
	I can't appreciate it	22	6,8
	Total	323	100,0

Source: Authors.

We note that, among women, there is a higher predisposition to use digitized services, compared to men.

Table 4. The use of digital services by gender

How often do you use digital services in your personal work? * Sex Crosstabulation				
How often do you use digital services in your personal work?		Sex		Total
		Female	Male	
How often do you use digital services in your personal work?	Never	3	12	15
	Rarely	5	2	7
	Rare	19	10	29
	Frequently	84	75	159
	Very often	42	31	73
	Always	15	3	18
	I can't appreciate it	13	9	22
	Never	181	142	323

Source: Authors.

We underline the fact that the highest frequencies regarding the use of digitization services are recorded at the age of 52 years (12), 50 years (12), 48 years (11), 40 years (14).

According to the "last school graduated" criterion, we note that the highest frequency of use of digital services is registered among university (faculty) graduates, respectively 101.

Table 5. The use of digital services according to the criterion "last school graduated

How often do you use digital services in your personal work? * Last school completed Crosstabulation							
Last school completed							
How often do you use digital services in your personal work?		Vocational school	High school	Faculty	Masteral	PhD	Total
Never		4	6	5	0	0	15
Rarely		0	2	4	1	0	7
Rare		3	9	15	2	0	29
Frequently		14	30	101	13	1	159
Very often		3	8	50	11	1	73
Always		0	1	13	4	0	18
I can't appreciate it		3	6	12	1	0	22
Total	Never	27	62	200	32	2	323

Source: Authors.

Regarding personal digital behavior (use of social networks), we find that 94.7% of respondents are users of social networks, while only 5.3% say they do not use these tools. Furthermore, 85.76% identify a daily frequency, while 7.43% identify a weekly frequency, and 1.86% a monthly frequency. The recorded data reveal a more frequent use among women (173) compared to men (133), but also a higher share among university graduates (189).

The representatives of the UATs from Călărași County who participated in this research indicated, in proportion of 90.7%, that the institution they represent has a WEB page. Therefore, we can assume that the existence of the WEB page has a purely informative role. This assumption is based on the fact that for the item related to the use of Cloud solutions, only 26% of UATs indicate their existence, while 32.8% mention the fact that they intend to turn to such solutions. Therefore, the assertion that the simple WEB page of the institution does not meet specific needs such as digitalization of services is correct. However, a percentage of 30.7% mentions the fact that "u is the case" in the use of Cloud solutions. In other words, it is assumed that, within the respective communities, the number of citizens who benefit from public services is very low in terms of the use of modern solutions. This aspect will be investigated in depth in the qualitative study.

Table 6. The use of Cloud solutions

Does your institution use cloud resources?			
		Frequency	Valid Percent
Valid	No, but we plan to move to the Cloud area	106	32,8
	Yes	84	26,0
	No, that's not the case	99	30,7
	I don't know the term cloud	34	10,5
	Total	323	100,0

Source: Authors.

At the same time, we also note the percentage of 10.5% of respondents who state that they do not know the term Cloud. Or, in the context in which the National Recovery and Resilience Plan (PNRR) was launched at the level of the European Union, having a significant component along the lines of the digitalization of public services vector, we can conclude that at the level of the respective UATs that identified this response, the level of digital literacy is very low. Therefore, the existence of a very low level of digital literacy among decision-makers (mayor, vice-mayor, local council, public administrator, etc.) leads to the impossibility of modernizing the public services offered. And therefore, at the level of the beneficiaries, it can

be assumed that there is a low degree of satisfaction with regard to the services provided. However, taking into account the socio-demographic structure of the localities (age, level of education, lack of modern payment instruments, low level of digital literacy) it can be assumed that the lack of digitization in the public administration does not represent an element that generates a low degree of satisfaction.

At the same time, the recorded data revealed that the average age of the employees in the UATs in Călărași County is 45 years (St.D = 4.635), while 39.6% of the employees are 50 years old. In this context, we note that for the item "Appreciate the degree of digital literacy of the employees in the institution" the officials between 50%-75% represent 41.2% of the total participants.

Table 7. Degree digital literacy employees institution

Degree digital literacy employees institution			
		Frequency	Valid Percent
Valid	<10%	11	3,4
	10%-25%	22	6,8
	25%-50%	64	19,8
	50%-75%	133	41,2
	>75%	93	28,8
	Total	323	100,0

Source: Authors.

Referring to the scale above 50% and below 50% digital literacy degree of public institution employees, we observe the fact that 30% of civil servants are not digitally literate. Therefore, the transition to the digitalization of public services offered by UAT represents a major challenge in the sense that the first stage of this process should be represented by their qualification. Thus, the number of civil servants who have attended digital skills improvement courses is very low. 22.9% of civil servants did not attend any course. Therefore, the very primary use of the computer or related software can be a major challenge, while only 6.19% have attended such courses. The recorded responses also demonstrate the fact that, at the level of some UATs in Călărași county, there is no real concern regarding the qualification of civil servants to increase their professional skills so that it is reflected in the quality of the public services offered. Or, in the context in which the direction, at the national level, is to make the transition to digitalization, we can appreciate that, in the absence of an orientation towards the qualification of the workforce in public institutions, the services provided cannot be at the expected level either.

Next, we analyzed the trend of the percentage of the population that chose to pay taxes and fees online. Thus, at the level of 2020, given the existence of the Covid-19 pandemic context, the recorded data show that the percentage of the population (below 10%) who chose to pay taxes digitally was 57.3%. In other words, of the total taxes, only 5.73% came from the use of digital platforms. Therefore, we can conclude that there is no predisposition of citizens to use these modern means. The explanation of this state of affairs could be given either by the advanced age of the beneficiaries (correlated with the fact that the majority are pensioners and, due to the lack of financial education, but also the lack of bank machines) who largely opt for receiving financial rights (pensions) in the classic format (postman) to the detriment of bank transfer.

Table 8. Percentage payment of local taxes and duties 2020

Percentage payment of local taxes and duties 2020			Frequency	Valid Percent
Valid	<10%		185	57,3
	10%-25%		61	18,9
	25%-50%		39	12,1
	50%-75%		25	7,7
	>75%		13	4,0
	Total		323	100,0

Source: Authors.

In 2021, there is a slight increase in the use of digital means of paying taxes and fees, being an upward trend, but not significant.

Table 9. Percentage payment of local taxes and duties 2021

Percentage payment of local taxes and duties 2021			Frequency	Valid Percent
Valid	<10%		165	51,1
	10%-25%		67	20,7
	25%-50%		57	17,6
	50%-75%		28	8,7
	>75%		6	1,9
	Total		323	100,0

Source: Authors.

Regarding the perception of the degree of digital literacy of the beneficiaries of public services, we find that 16.7% are indicated as having a "very low and low" level, while 52.7% are "undecided". In other words, the literacy level of the beneficiaries of public services cannot be assessed. In this sense, in the absence of a high level of digital literacy, it can be assumed that the transition to digitized public services does not represent an element that increases the degree of satisfaction of the beneficiaries. On the contrary, it can generate dissatisfaction and frustration in relation to the local authority.

Table 10. Assessment of the level of education and digital literacy of citizens

		Frequency	Valid Percent
Valid	Very low level	35	10,8
	Low	19	5,9
	Undecided	168	52,0
	Medium	54	16,7
	Above average level	6	1,9
	High level	13	4,0
	Very high level	28	8,7
	Total	323	100,0

Source: Authors.

However, 91.6% of respondents emphasized that the digital literacy of civil servants can represent an element that brings added value in terms of the relationship with the local community. In other words, the respondents appreciate the fact that the public services offered could register a qualitative increase through the digital literacy of civil servants.

Table 11. Digital literacy of civil servants

Appreciation digital literacy of civil servants is useful in the process of relating to the local community		Frequency	Valid Percent
Valid	No	4	1,2
	Yes	296	91,6
	I don't know	23	7,1
	Total	323	100,0

Source: Authors.

On the other hand, we note that 7.7% of the respondents indicate that they did not think about the possibility that "digitalization represents an improvement of the public services provided". This percentage demonstrates the fact that at the level of the respective UATs there is no pro-active approach aimed at increasing the quality of the services provided. At the same time, 85.6% of respondents indicate that "the digitization of services can represent an increase in the quality of public services provided." We mention that, from a strictly technical point of view, the digitization of public services involves a high degree of transparency and traceability of documents. In this context, the existence of subjective and interpretable situations decreases significantly.

Table 12. The services offered by the institution you represent could be improved if it were to go digital

		Frequency	Valid Percent
Valid	No	25	7,7
	Yes	2	,6
	I don't know	277	85,8
	Total	19	5,9

Source: Authors.

On the other hand, if we correlate this aspect with the low level of literacy of civil servants in certain UATs in Călărași County, we can assume that the resistance to change could also be determined by subjective reasons. Thus, the high level of age, combined with a low level of adaptability to the new socio-economic context can generate frustrations in terms of job loss, especially since the region is characterized by a high level of unemployment. At the same time, we note that only 40.9% of the participants state that they hold a digital skills certificate, while 27.6% appreciate that they intend to follow similar courses. In other words, for 40.9% of the respondents there is a concern along the lines of the professional skills development vector.

Table 13. Possession of a certificate of digital skills

		Frequency	Valid Percent
Valid	No	102	31,6
	No, but I intend to take such a course	89	27,6
	Yes	132	40,9
	Total	323	100,0

Source: Authors.

Starting from the data presented above, we formulated a first research hypothesis, respectively: the higher the level of education and digital literacy of the citizens viewed in the key of consumers of public services, the higher the percentage of payment of local taxes and fees picked up. In this regard. Using the SPSS software, we calculated the Pearson correlation coefficient ($r=0.477$, $p<0.01$), which indicates a statistically significant moderate positive correlation. Therefore, we can appreciate that the payment of fees and taxes (seen as forms of

institutional digitization) correlates with a high level of education and digital literacy of citizens.

Table 14. Correlations

		Level of education and digital literacy of citizens	Percentage payment of local taxes and fees
Level of education and digital literacy of citizens	Pearson Correlation	1	0,477**
	Sig. (2-tailed)		0,001
	N	323	323
Percentage payment of local taxes and fees	Pearson Correlation	0,477**	1
	Sig. (2-tailed)	0,001	
	N	323	323

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Authors.

At the same time, the analyzed data also revealed the existence of significant statistical correlations between the "age" variable and VAR 2 and VAR 1 -VAR 2 variables.

Table 15. Correlations

		Age	VAR 1	VAR 2
Age	Pearson Correlation	1	-0,012	-0,403**
	Sig. (2-tailed)		0,823	0,001
	N	323	323	323
VAR 1	Pearson Correlation	-0,012	1	0,594**
	Sig. (2-tailed)	0,823		0,001
	N	323	323	323
VAR 2	Pearson Correlation	-0,403**	0,594**	1
	Sig. (2-tailed)	0,001	0,001	
	N	323	323	323

** . Correlation is significant at the 0.01 level (2-tailed).

VAR 1: The services offered by the institution you represent could be improved if it were to go digital

VAR 2: Possession of the digital skills certificate

Source: Authors.

In other words, we note the existence of a statistically significant moderate, negative correlation ($r=-0,403^{**}$, $p<0.01$) between "age" and "improvement of the services that the institution offers". In other words, the younger the age, the more the appreciation that digitalization can lead to the improvement of the public services offered. Similarly, "holding a digital skills certificate" (ie, a high level of education and digital literacy) correlates significantly positively with "improving the services the institution provides" ($r=0.594^{**}$, $p<0.001$).

Conclusions

We can conclude that most of the surveyed subjects have above average training and are constant users of digital services. Of the 323 respondents, 77.4% use digital services very often or always, compared to those who use them with a low frequency or not at all, which are 15.8%. At the same time, we showed that women have a predisposition to use digital services. Research has shown that people who have graduated from a university, use digital services the most, with a higher frequency than the others. A good part of the employees of UATs are not digitally literate. After analyzing the data in SPSS, I noticed that there is a correlation between the payment of taxes and the degree of education and literacy of the citizens. Another variable analyzed is age, being able to conclude that the lower it is, the more the appreciation for the digitization of public services increases.

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Human Capital in Developing Countries: Common Challenges and the Path Forward

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Abstract

This paper examines the challenges of human capital development in developing countries and identifies potential strategies for addressing these issues. The study utilizes a mixed-methods approach, including a comprehensive literature review, quantitative secondary data analysis, and qualitative case studies. The literature review identifies six main challenges: low literacy and education levels, insufficient healthcare, high unemployment and underemployment, brain drain, gender disparities, and limited investment in skills development. The study identifies policy initiatives and interventions to enhance education, health, and skills development, such as the Global Partnership to Promote Education and vocational skills training programs. The findings highlight the vital role of human capital in fostering economic growth and development in developing countries. They underscore the need for comprehensive strategies to overcome human capital development challenges. Overall, the study highlights the importance of investing in human capital development to promote sustainable growth and development in developing countries and recommends comprehensive strategies prioritizing education, healthcare, and skills development, focusing on promoting equal access to opportunities for all individuals.

Keywords: Human capital and developing countries, low literacy and education levels, insufficient healthcare, high unemployment and underemployment, brain drain.

JEL classification: O15, I25, J24.

Introduction

Human capital development has become increasingly important in developing countries as acquiring knowledge, skills, and abilities is crucial for economic growth and development. However, several common challenges hinder developing countries' ability to invest in human capital, such as low literacy and education levels, insufficient healthcare, high unemployment and underemployment, brain drain, gender disparities, and limited investment in skills development. These challenges significantly affect developing countries' ability to participate in the global economy and achieve sustainable growth and development.

This paper aims to investigate the significance of human capital in developing countries, explore the common challenges to human capital development, and identify policy initiatives and interventions to enhance education, health, and skills development. The research results indicate the vital importance of human capital in driving economic growth and development in developing countries, highlighting the need to implement comprehensive strategies to address the challenges hindering human capital development. The findings and conclusions of the study underscore the significance of prioritizing investments in human capital development as a means to promote sustainable growth and development in developing countries. The policy initiatives and interventions identified in the literature review offer promising approaches to enhancing education, health, and skills development and harnessing the full potential of human capital. A comprehensive approach prioritizing equal access to opportunities for all individuals, with a focus on promoting education, healthcare, and skills development, can help overcome

the challenges to human capital development and contribute to economic growth and development.

1. Methodology

This study employed a comprehensive methodology to investigate challenges in human capital development in developing countries, analyze relevant policies and statistics, and provide valuable insights into potential solutions. The research methodology consisted of the following key steps:

1. Literature Review: A thorough review of academic articles, books, reports, and policy documents was conducted. Multiple reputable databases, including Google Scholar, Scopus, and ProQuest, were utilized to gather relevant literature. The literature review focused on identifying challenges in human capital development and examining policies and strategies implemented to address these challenges. The findings from the literature review formed the basis for the subsequent stages of the study.

2. Data Collection: Data collection involved gathering statistics and information from international organizations such as UNESCO and the World Bank. These organizations provided valuable data on indicators related to human capital development in developing countries, such as literacy rates, healthcare expenditure, employment rates, and gender disparities. The collected data was used to analyze the current state of human capital development and assess the impact of various policies and interventions.

3. Data Analysis: The collected data were analyzed rigorously using appropriate statistical techniques and analytical frameworks. Quantitative analysis was performed to identify patterns, trends, and correlations among the different variables. Additionally, qualitative analysis techniques were employed to examine the policies and strategies to address the identified challenges. The analysis aimed to provide a comprehensive understanding of the current status of human capital development and the effectiveness of existing policies.

4. Findings and Recommendations: The results derived from the data analysis were presented clearly and concisely. The statistical data and qualitative insights were synthesized to highlight the key challenges in human capital development and provide recommendations for policy interventions—these recommendations aimed to address the identified challenges and promote sustainable development in developing countries.

5. Limitations: It is essential to acknowledge the limitations of this study. The availability and reliability of data from international organizations may vary, and specific challenges or policies may need to be adequately covered in the literature review. Additionally, the study focused on a broad perspective of developing countries and may not capture individual countries' specific contexts. Future research could consider conducting more in-depth case studies or expanding the scope to include specific regions or countries.

By following this comprehensive methodology, this study aimed to contribute to the existing knowledge on human capital development in developing countries and provide valuable insights for policymakers and researchers.

2. The Context of Developing Countries

Developing countries face various challenges in various sectors, such as healthcare, education, infrastructure, governance, and economic growth, resulting in lower development levels than advanced economies. These countries are home to approximately 85% of the global population. They are spread across regions, including Africa, Latin America, South Asia, Southeast Asia, Polynesia, Central Asia, and some former Soviet republics (Jackson, 2004). Access to education and healthcare is often limited, and poverty, inequality, and unemployment are prevalent issues. These problems are exacerbated by political instability, corruption, and

vulnerability to natural disasters and climate change (Budhwar & Debrah, 2013; Napier & Vu, 1998). However, despite these challenges, some developing countries such as China and India have experienced significant economic growth and improvements in living standards in recent years, demonstrating their potential to become notable players in the global economy (Jackson, 2004).

3. Human Capital in Developing Countries and common challenges

The status of human capital in developing countries encompasses a diverse range of situations. However, several common challenges and opportunities emerge across these nations. It is crucial to recognize that this brief analysis only offers a general overview, and the specific circumstances of individual countries can vary considerably. Among the key challenges developing nations face are low literacy and education levels, inadequate healthcare, high unemployment, and underemployment rates, brain drain, gender disparities, and limited investment in skills development. Developing countries must prioritize education, healthcare, and skills development investments to address these challenges. Strengthening institutional capacities, advocating for gender equality, and fostering economic growth opportunities are vital for promoting human capital development. Finally, international collaboration, including support from developed countries and global organizations, can play an essential role in assisting developing nations in overcoming these obstacles and realizing their full potential.

The following paragraphs comprehensively review these challenges, drawing upon existing research and literature.

3.1 Low Literacy and Education Levels

Low literacy and education levels present significant challenges to human capital development in developing countries (Becker, 1994; World Bank, 2021). Several factors contribute to these issues, including inadequate resources and infrastructure (UNICEF, 2020; Bentaouet et al., 2015), teacher shortages and under-qualification (OECD, 2019; Mulkeen, 2010), and socioeconomic factors that affect access to education, particularly for marginalized communities (UNESCO, 2020; Unterhalter et al., 2014). In conflict and political instability areas, targeted interventions such as accelerated education programs and psychosocial support are necessary to ensure continuous access to education and promote human capital development (Save the Children, 2019; Burde et al., 2017). Policy interventions encompass investing in infrastructure and resources, targeted recruitment, professional development programs for teachers, and community sensitization programs, which are essential for addressing low literacy and education levels in developing countries.

Table 1. Literacy Rates in Developing Regions (2020)

Region	Literacy Rate (%)
Sub-Saharan Africa	67
Latin America & Caribbean	94
Middle East & North Africa	80
South Asia	73
East Asia & Pacific	96

Source: World Bank (2022)

According to Table 1, the literacy rates in developing regions exhibit significant variation, with East Asia & Pacific reporting the highest literacy rate at 96%, followed by Latin America & Caribbean at 94%, and Middle East & North Africa at 80%. However, Sub-Saharan

Africa and South Asia have 67% and 73% lower literacy rates, respectively (World Bank, 2020). This table highlights substantial disparities in literacy rates across developing regions and emphasizes the importance of implementing region-specific policies to address the unique challenges in promoting human capital development.

Several policy interventions have been proposed to tackle the issue of low literacy and education levels in developing countries. Firstly, governments should prioritize allocating funds for education to enhance infrastructure, learning materials, and teacher salaries (World Bank, 2021). Secondly, investment in teacher training and professional development is essential to ensure educators have the necessary skills to deliver quality education (OECD, 2019). Thirdly, initiatives targeting disadvantaged groups, such as girls and children in conflict-affected areas, are crucial for promoting inclusive Education (UNICEF, 2020). Lastly, fostering partnerships and international cooperation with organizations, NGOs, and the private sector can improve educational outcomes in developing countries (UNESCO, 2015).

3.2 Insufficient Healthcare

The availability of healthcare infrastructure, such as hospitals, clinics, and medical equipment, poses a significant obstacle to quality healthcare in developing countries (O'Neill et al., 2018; World Health Organization, 2021). Therefore, increasing access to healthcare facilities by constructing new hospitals and clinics and providing essential medical equipment is crucial for improving healthcare services in these countries (O'Neill et al., 2018). Healthcare workforce shortages can significantly hinder effective healthcare delivery in developing countries, leading to poor health outcomes (Chen et al., 2004; World Health Organization, 2021). Addressing healthcare workforce shortages through targeted recruitment, retention incentives, and professional development programs is proposed as a solution to improve health outcomes in these countries (Chen et al., 2004). Inequitable access to healthcare services remains challenging in developing countries, with poverty, geographical barriers, and social determinants playing significant roles (Gwatkin et al., 2004; Marmot, 2005). Targeted interventions, including conditional cash transfers, health insurance schemes, and community outreach programs, are emphasized as crucial measures to address these health inequities (Marmot, 2005). Insufficient funding and inefficient allocation of resources can negatively affect healthcare delivery in developing countries (Savedoff, 2007; World Health Organization, 2021). Investing more in healthcare and implementing evidence-based resource allocation strategies can ensure the equitable and efficient use of funds, thereby improving healthcare outcomes in developing countries (Savedoff, 2007).

To address the issue of insufficient healthcare in developing countries, policymakers can consider prioritizing funding for healthcare to improve infrastructure, medical equipment, and services (World Health Organization, 2021). Investing in workforce training and professional development can help ensure that healthcare professionals are equipped to deliver quality healthcare (Chen et al., 2004). Initiatives targeting disadvantaged populations, such as rural communities and the urban poor, are also crucial for promoting equitable access to healthcare services (Marmot, 2005). Finally, partnerships with international organizations, non-governmental organizations (NGOs), and the private sector can improve healthcare systems in developing countries (World Health Organization, 2021).

3.3 High Unemployment and Underemployment

High unemployment and underemployment rates are other significant concerns in developing regions (International Labor Organization [ILO], 2021), posing challenges to human capital development. Several factors contribute to this issue. One major factor is the skills mismatch between the workforce and labor market demands in developing countries

(Kuddo et al., 2018; Sparreboom & Staneva, 2014). To address this, Sparreboom and Staneva (2014) suggest improving Education and vocational training systems to align workforce skills with labor market needs, reducing unemployment and underemployment rates. Inadequate job creation is another critical challenge identified by Betcherman (2015) and ILO (2021) in developing countries, which can contribute to high unemployment and underemployment rates. Slow economic growth and limited job opportunities exacerbate the problem, particularly for vulnerable populations. Betcherman (2015) recommends policies that promote private sector growth, support small and medium-sized enterprises (SMEs), and foster entrepreneurship to generate new job opportunities and reduce unemployment rates, thereby supporting human capital development in developing countries. Informal employment, prevalent in developing countries, is characterized by low productivity, inadequate social protection, and limited opportunities for skills development (ILO, 2021; Chen, 2012). Chen (2012) emphasizes the need for policies that formalize informal employment, improve working conditions for vulnerable workers, and provide social protection to enhance productivity and address these challenges. Structural factors and labor market rigidities contribute to high unemployment and underemployment in developing countries, posing significant policy challenges (Betcherman, 2015; Kuddo et al., 2018). Kuddo et al. (2018) recommend implementing effective policies, such as unemployment insurance schemes and active labor market programs, that promote flexibility and adaptability (International Labor Organization [ILO], 2021).

Table 2, as per the most recent data from the World Bank (2022), showcases the unemployment rates across various developing regions for the year 2022. The data shows that Sub-Saharan Africa has an unemployment rate of 6.7%, while Latin America & Caribbean reports a rate of 7%. Despite showing improvement, the Middle East & North Africa still has the highest unemployment rate among the regions at 9.6%. Meanwhile, South Asia has seen a rise in its unemployment rate, currently at 7%, and East Asia & Pacific continues to have the lowest rate among the regions, now at 4.1%. The data underscores the variations in unemployment rates among developing regions, highlighting the importance of tailored policy measures that address the unique challenges faced by each region in tackling high levels of unemployment and underemployment. Targeted labor market policies and interventions should be developed and implemented, considering the specific factors contributing to unemployment and underemployment in each region to promote human capital development (World Bank, 2022).

Table 2. Unemployment Rates in Developing Regions (2022)

Region	Unemployment Rate (%)
Sub-Saharan Africa	6.7
Latin America & Caribbean	7
Middle East & North Africa	9.6
South Asia	7
East Asia & Pacific	4.1

Source: World Bank (2022)

After reviewing the literature, several policy measures are recommended to address the challenges of high unemployment and underemployment in developing countries. First, investing in education and vocational training can help align workforce skills with labor market demands (Sparreboom & Staneva, 2014). Second, policies promoting private sector development, supporting small and medium-sized enterprises (SMEs), and fostering

entrepreneurship can generate new job opportunities and reduce unemployment rates (Betcherman, 2015). Third, policies that formalize informal employment and improve working conditions for vulnerable workers can enhance labor market outcomes (Chen, 2012). Fourth, implementing labor market policies that enhance flexibility and adaptability, such as unemployment insurance schemes and active labor market programs, can help mitigate the impact of structural factors on unemployment and underemployment (Kuddo et al., 2018). Finally, cultivating global partnerships and cooperation can provide valuable resources and expertise to assist in the execution of efficient labor market policies and support human capital growth in developing countries (ILO, 2021).

3.4 Brain Drain

Brain drain poses a significant challenge to human capital development in developing countries, resulting in the migration of highly educated and skilled professionals to more developed nations. Economic factors and wage disparities, lack of educational and professional opportunities, political instability and insecurity, and social networks and diaspora effects are the primary factors contributing to brain drain in developing countries (Docquier & Marfouk, 2006; Gibson & McKenzie, 2011; Beine et al., 2008; Olesen, 2002; Collier et al., 2004; Beine et al., 2011). Policies addressing wage disparities, improving economic conditions, and providing better domestic educational and career prospects can help mitigate the brain drain. Addressing the underlying causes of political instability and insecurity is crucial to incentivize skilled individuals to stay in their home countries. Leveraging diaspora networks for knowledge exchange and investment can mitigate the adverse effects of brain drain and promote human capital development in developing countries. Brain drain can lead to a shortage of skilled professionals in developing countries, hindering economic growth and development and resulting in a significant loss of investment in human capital development as resources are expended on educating and training professionals who eventually leave the country.

The literature review highlights several policy initiatives to mitigate brain drain in developing countries. Firstly, it is suggested that implementing policies promoting economic growth and reducing wage disparities between developing and developed countries can help address the brain drain phenomenon (Docquier & Rapoport, 2012; Gibson & McKenzie, 2011). Secondly, establishing a quality and accessible education system is crucial for developing countries to retain and nurture skilled workers (Beine et al., 2008). Thirdly, creating stable and secure environments within developing countries can encourage skilled professionals to remain in their home countries (Collier et al., 2004; Olesen, 2002). Fourthly, engaging with diaspora communities and facilitating knowledge exchange and investment can significantly mitigate the negative effects of brain drain on human capital development (Beine et al., 2011). Lastly, governments in developing countries can adopt targeted retention policies and incentives, such as tax breaks, research funding, and professional development opportunities, to encourage skilled professionals to stay in their home countries (Docquier & Rapoport, 2012).

3.5. Gender Disparities

Gender disparities pose a significant challenge to human capital development in developing countries, as they hinder women's access to education, training, and job opportunities, thus negatively impacting economic growth and development (UNESCO, 2020). To address these disparities, it is recommended to implement policies that promote equitable access to quality education for girls and women, eliminate gender pay gaps, and provide supportive maternity leave provisions (Klasen & Lamanna, 2009). Sociocultural factors and gender norms also contribute to these disparities, underscoring the need for interventions that challenge and transform gender norms to empower women (Duflo, 2012; Kabeer, 2005).

In addition, health disparities and restricted reproductive rights further impede human capital development in developing countries. Policies to improve women's health and reproductive rights can play a vital role in reducing gender disparities (Marmot et al., 2008; Sen, 2003).

Table 3 presents a comparative analysis of the relative labor income of women compared to men, categorized by country income groups. The data, sourced from the ILO modeled estimates database, ILOSTAT, highlights the extent of gender disparities in labor income and provides a deeper understanding of the economic inequities experienced by women.

The findings in Table 3 reveal striking disparities in labor income between men and women across various income groups. In low-income countries, women earn approximately 33% of what men earn, indicating a significant gender income gap. The situation is not much better in lower-middle-income countries, where women's relative labor income stands at 29% compared to men. These figures underscore the pervasive nature of gender inequalities in income and the urgent need for interventions to address this issue.

Moving up the income ladder, the table demonstrates a moderate improvement in relative labor income in upper-middle-income countries, where women earn 56% of men's income. While this suggests progress, it is important to note that gender disparities persist even in higher-income brackets. In high-income countries, women earn 58% of men's income, indicating a persistent income gap that requires continued attention and policy reforms.

To address gender disparities effectively, policymakers should focus on promoting access to education for girls and women, enhancing gender equality in the labor market, challenging gender norms, improving women's health and reproductive rights, and encouraging women's participation in decision-making processes (Kabeer, 2005; Klasen & Lamanna, 2009; Sen, 2003; UNESCO, 2020; Duflo, 2012).

Table 3. Relative Labor Income of Women Compared to Men by Country Income Group, 2019

Country Income Group	Relative Labor Income of Women Compared to Men (%)
Low Income	33
Lower-Middle Income	29
Upper-Middle Income	56
High Income	58
World	51

Source: ILO modeled estimates database, ILOSTAT (ILO Brief 6, Spotlight on Work Statistics n° 12, March 2023)

3.6. Limited Investment in skills development

Limited investment in skills development is a significant obstacle to human capital development in developing countries, primarily due to insufficient public expenditure on Education (World Bank, 2019; Psacharopoulos et al., 2018). To address this challenge, Psacharopoulos et al. (2018) recommend increasing public investment in education and ensuring the effective allocation of resources to improve skills development and human capital formation.

Developing countries face challenges associated with skills development due to limited access to quality education and training, especially for vulnerable or marginalized groups (UNESCO, 2020; Majgaard & Mingat, 2012). The lack of engagement and investment from the private sector in developing countries also poses a significant challenge to human capital

development (Betcherman et al., 2004; Almeida et al., 2012). To address this challenge, Almeida et al. (2012) recommend public-private partnerships to mobilize resources and enhance skills development initiatives.

The inadequacy in aligning the skills supply with labor market demand is a significant factor that limits skills development investment in developing countries (World Bank, 2019; Montenegro & Patrinos, 2014). Montenegro and Patrinos (2014) recommend that policies should align education and training systems with industry demands to motivate employers to invest in training workers who meet the skills needed by the labor market.

To address these challenges, policies should focus on increasing public expenditure on education and ensuring efficient allocation of resources to improve skills development and human capital formation (Psacharopoulos et al., 2018). Policies should also promote quality education and training accessible for all individuals, regardless of their social or economic status (UNESCO, 2020), and foster public-private partnerships to mobilize resources and enhance the effectiveness of skills development initiatives (Almeida et al., 2012). Finally, policies should target vulnerable and marginalized populations, such as women, rural communities, and ethnic minorities, to ensure equitable access to education and skills development opportunities (Majgaard & Mingat, 2012).

Based on the data presented in Table 4, it is clear that there are notable variations in public expenditure on education among developing regions. While Latin America & Caribbean reported the highest percentage of public spending on education, South Asia and Sub-Saharan Africa reported the lowest (World Bank, 2019). This highlights the need for increased investment in education, particularly in regions where public expenditure on education is inadequate, to promote skills development and human capital formation.

Table 4. Public Expenditure on Education as a Percentage of GDP in Developing Regions (2020)

Region	Public Expenditure on Education (% of GDP)
Sub-Saharan Africa	3.4
Latin America & Caribbean	4.2
Middle East & North Africa	3.8
South Asia	2.9
East Asia & Pacific	3.7

Source: World Bank (2022)

Table 5 provides data on the percentage of youths aged 15-24 who are not in employment, education, or training (NEET) in selected regions of the world. NEET individuals represent those who are not engaged in any formal education or training and are not part of the workforce. The data reveals that South Asia has the highest NEET rate, with 29.9% of young people not in employment, education, or training. Latin America & Caribbean have the lowest NEET rate, with only 21.5% of young people not in employment, education, or training. Also, there are no values for the rest of the regions.

These figures demonstrate the significant challenge of youth unemployment and underemployment in developing regions. The lack of employment and training opportunities for young people in these regions may lead to increased poverty, social exclusion, and reduced economic growth and development (International Labour Organization, 2020).

Table 5. Percentage of Youths (15-24 years) Not in Employment, Education, or Training (NEET) (2020)

Region	NEET Rate (%)
Sub-Saharan Africa	–
Latin America & Caribbean	21.5
Middle East & North Africa	–
South Asia	29.9
East Asia & Pacific	–

Source: International Labor Organization. (2020), World Bank. (2023).

4. Results and Conclusions

The professional literature review conducted in this study revealed several common challenges to human capital development in developing countries. These challenges include low literacy and education levels, inadequate healthcare, high unemployment and underemployment, brain drain, gender disparities, and limited investment in skills development. These challenges have significant implications for economic growth and development in developing countries, as they hinder individuals' ability to contribute effectively to the labor market. However, developing countries have recognized the importance of investing human capital for sustainable growth and development.

To address the challenge of low literacy and education levels, targeted interventions such as improving infrastructure, implementing teacher training programs, and raising community awareness are crucial. Additionally, increased investment in education, fostering public-private partnerships, and addressing socioeconomic factors that affect access to education are recommended.

Inadequate healthcare infrastructure and workforce shortages hinder quality healthcare access in developing countries. To overcome these challenges, it is vital to prioritize the construction of healthcare facilities, provision of medical equipment, targeted recruitment, retention incentives, and improved resource allocation.

High rates of unemployment and underemployment call for policies that align workforce skills with labor market demands, promote private sector growth and formalize informal employment. Skills development programs, job creation initiatives, and labor market flexibility can contribute to reducing unemployment and underemployment rates.

Brain drains, and the migration of highly skilled professionals to more developed nations poses a significant challenge to human capital development. Policies addressing wage disparities, improving economic conditions, and providing better domestic prospects can help mitigate the brain drain. Leveraging diaspora networks and engaging with skilled professionals can contribute to developing human capital in developing countries.

Gender disparities, including limited access to education and job opportunities for women, hinder human capital development. Policies promoting equitable access to education, eliminating gender pay gaps, and empowering women through challenging gender norms are crucial in addressing this issue.

Limited investment in skills development presents a significant obstacle to human capital development. Increasing public expenditure on education, fostering public-private partnerships, and aligning skills development with labor market demands can address this challenge and enhance human capital formation.

Overall, the literature review highlights the common challenges developing countries face in human capital development. It emphasizes the need for targeted interventions to address

low literacy and education levels, inadequate healthcare, high unemployment and underemployment rates, brain drain, gender disparities, and limited investment in skills development. By implementing comprehensive policies prioritizing education, healthcare, job creation, gender equality, and skills development, developing countries can overcome these challenges and unlock the full potential of their human capital.

In conclusion, this paper has examined the common challenges in human capital development in developing countries and explored potential strategies and policy initiatives to overcome these challenges. The findings underscore the vital importance of human capital in driving economic growth and development in developing countries. The challenges identified in the literature review, including low literacy and education levels, inadequate healthcare, high unemployment, and underemployment rates, brain drain, gender disparities, and limited investment in skills development, significantly hinder human capital development in these countries.

To address these challenges, policymakers should prioritize education, healthcare, and skills development investments. Improving infrastructure, teacher training programs and community sensitization are crucial for addressing low literacy levels. Constructing healthcare facilities, targeted recruitment, and improved resource allocation can enhance access to quality healthcare. Aligning workforce skills with labor market demands, promoting private sector growth, and formalizing informal employment is essential for reducing unemployment and underemployment rates. Addressing wage disparities, improving economic conditions, providing better domestic prospects, and leveraging diaspora networks can help mitigate the brain drain. Promoting equitable access to education, eliminating gender pay gaps, and challenging gender norms are crucial for addressing gender disparities. Increasing public expenditure on education, fostering public-private partnerships, and aligning skills development with labor market demands can enhance investment in skills development. By prioritizing human capital development and implementing comprehensive strategies, developing countries can overcome these challenges and pave the way for sustainable growth and development.

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The Influence of Life Events on Young Consumers' Compulsive Shopping Tendencies

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Abstract

This research aims to uncover which life events (if any) might increase young consumers' tendencies toward compulsive shopping. Existing literature suggests that stressful events can trigger addictive behaviors, including compulsive buying, with consequences on wellbeing and finances. Our study examines an array of transitional events (e.g., getting the first-time job, moving out of parents' home, family member's death), events that mark life changes or role transitions and are stressful while the individual adjusts to new circumstances. Their impact on the development of maladaptive shopping habits is explored in an experimental study with 146 Canadian university students (average age = 20). Overspending and debt accumulation is particularly problematic for young consumers: negative habits developed early in their career can last a lifetime, so understanding compulsive tendencies at this stage is vital. Participants reported their shopping habits on a paper-and-pencil questionnaire, using the compulsive buying scales of Faber and O'Guinn (1992) and Ridgeway et al. (2008). Then, respondents indicated if they experienced any of the transitional events from a listed inventory, when the event occurred, and the intensity of their felt experience (1= not bad at all; 7 = very bad). Other psychological measures were collected, including self-esteem (Heatherton and Polivy, 1991), materialism (Richins and Dawson, 1992), and optimism (Scheier et al., 1994). ANOVA results showed that the type of event, timing, and emotional intensity of the life event influence compulsive buying outcomes. Notably impactful are romantic relationship breakups, deaths of friends, deaths of loved pets, incurring serious injuries/surgeries, moving out of parents' home, job losses, and working again after a period without work. State self-esteem and materialism are significant factors, but not mediators between transitional life events and compulsive shopping. This research highlights paths through which compulsive buying can develop in early adulthood, offering actionable implications and novel theoretical insights.

Keywords: consumer behavior, marketing, compulsive buying, addictive shopping, life events.

JEL classification: M30, M31, M14, I31, I18, L83, L31, L38.

1. Introduction

Compulsive buying, also known as the shopping addiction, pathological buying, or compulsive buying-shopping disorder (CBSD), is defined as “a chronic lack of restriction for repeated and excessive purchasing of items, a maladaptive preoccupation with shopping, the generation of significant distress by the buying preoccupations which interfere with social, marital or occupational functioning, and result in severe financial problems” (Popa Sârghie, 2021; Maraz et al., 2016). The underlying motives are not primarily linked to the possession of goods and services, but rather to the act of buying itself (Tarka and Harnish, 2021; Roberts, Manolis, and Pullig, 2014): individuals who engage in compulsive buying are less interested in the use of the purchased items and more interested in the process of shopping, browsing, choosing, and ordering products. The risk of addictive shopping extends beyond rich people and consumers living in developed countries. Previous literature points out that compulsive

buyers tend to have average or below-average income levels (Müller, Mitchell, & de Zwaan 2015) and they attempt to use any means necessary, even resorting to illegal behaviors, to satisfy the spending habit. It is a global phenomenon affecting diverse, geographically spread-out countries (Popa Sârghie, 2021). Due to the broad socio-economic and health-related implications of such behaviors, they are gaining interdisciplinary interest, exemplified by research in the fields of marketing, management, public policy, psychiatry, psychology, and environment/ecosystems (e.g., Biolcati, 2017; Davenport, Houston, and Griffiths, 2012; Islam et al., 2017; Moschis, 2017; Müller, Joshi, and Thomas, 2022). The potential for these behaviors to have adverse effects on a person's wellbeing motivates the scientific community, as a whole, to further our understanding of excessive spending.

Key streams of research aim to piece together exactly how compulsive buying develops over time, what factors contribute to the shopping addiction, and what turns mildly active shoppers into so-called "shopaholics" (a colloquial term used by mass media without regard to its stigmatizing potential) – for a sample review of the literature, see Müller, Mitchell, and de Zwaan (2015). The present study focuses on the early stages in the development of addictive shopping. It is vital to detect and understand the onset or initial stages of the problem, considering the warning of Müller et al. (2015) that shopping addictions tend to be recognized when it is too late: usually a compulsive buying case is identified or attended to after the consumer accumulates large debts, legal problems, severe family conflicts, and other adverse consequences of the spending behavior (Popa Sârghie, 2021).

There is a distinct methodological difference between the medical and social sciences perspectives (Müller et al. 2015). The medical perspective dichotomizes the behavior as either problematic or not. In contrast, research in social sciences considers it as existing on a continuum: all consumers can be positioned along a generalized "urge to buy" continuum, with those at the upper extreme identifiable as true compulsive buyers (e.g., D'Astous, 1990). Our research assumes a perspective rooted in the social sciences. This perspective holds that compulsive buying is a dynamic and complex phenomenon, as reflected in the variety of constructs employed to understand it, such as personality traits (Islam et al., 2017), self-esteem (Dittmar, Long, and Bond, 2007; Kukar-Kinney, Ridgway, and Monroe, 2012), personal values (Tarka and Harnish, 2021), family structure and other demographics (Grougiou and Moschis 2015; Roberts, Tanner, and Manolis 2005), environmental stressors (Kemp, Kennett-Hensel, and Williams 2014), and coping strategies (Chang and Arkin 2002; Dholakia 2000).

The above-mentioned views of the literature are highly intertwined. The stress perspective points to disruptive life events as potential triggers of coping strategies (Grougiou et al. 2015). Research highlights the importance family problems and events in early childhood on compulsive buying tendencies (Baker et al. 2016; Grougiou and Moschis 2015; Roberts et al. 2005). However, disruptive events can occur at any point in one's life, and it is speculated that such events may contribute to compulsive buying regardless of the age when the event is experienced (Mathur et al. 2006). We aim to explore and empirically test this assumption.

2. Theoretical Development

To identify problematic shopping and detect compulsive tendencies, various screening instruments are used, including the Compulsive Buying Scale of Faber and O'Guinn (1992), the Compulsive Buying Scale developed by Ridgway, Kukar-Kinney, and Monroe (2008), the Compulsive Buying Scale developed by D'Astous (1990), the Questionnaire about Buying Behaviour (QABB; Maraz et al. 2016), the Yale-Brown Obsessive Compulsive Scale-Shopping Version (YBOCS- Monahan, Black, and Gabel 2006), the impulse control disorders section of the Structured Clinical Interview (SCID) focused on Compulsive Buying (First et al.

1997), and the Minnesota Impulsive Disorders Interview (MIDI; Christenson et al. 1994) which screens compulsive buying among other self-regulation disorders.

The shopping preoccupations have been described in the media as “retail therapy”, and research indicates that the act of shopping can indeed alleviate negative feelings (e.g., temporary sadness - Rick, Pereira, and Burson, 2014). Purchasing products enhances consumers’ self-esteem if they believe that they gain the admiration or approval of retail employees and customers when buying the items (Biolcati, 2017). Individuals may engage in compulsive buying as a distraction, a coping strategy to escape or avoid the stress associated with uncomfortable life events (Popa Sârghie, 2021). While shopping “therapy” might have initial or occasional positive effects on consumers and society, such as the procurement of necessary items, the purchase of products linked with charitable causes or Fairtrade initiatives (Popa Sârghie and Pracejus, 2021), in the long run it negatively affects individuals and their socio-economic ecosystem, as the extreme behavior spirals out of control and requires costly interventions.

We adopt, refine, and empirically test the life course theory that has spanned across conceptual and practical boundaries of behavioral sciences, being used to study addictive behaviors like binge drinking and eating (Baker et al. 2016; Simons et al. 2002). This theory received only cursory attention in consumer research regarding compulsive buying, being focused mostly on the role of childhood years in a person’s development (Baker et al., 2016; Grougiou et al. 2015). The life course paradigm sees behavior at any point in life as being the result of and adaptation to previous conditions (Elder 1998). The experience of changing circumstances and new/updated social roles creates physical, emotional, and social demands that are met with stress and handled by coping, growth or decline (Baker et al. 2016).

Our study is designed to test if significant changes in adult life circumstances (particularly for young adults) contribute to compulsive buying tendencies. The life course paradigm takes into account a variety of events and conditions as predictors of subsequent behaviors. We narrow down our investigation to the events labeled in that literature as “transactional”. Transactional life events are those involving transitions resulting in substantial role changes (e.g., divorce or romantic break-ups; Mathur et al. 2006) which expose individuals to stress as they seek to re-establish stability and comfort. For the purposes of our research, ‘*transactional*’ life events are renamed ‘*transitional*’ life events. The change was made to avoid confusion with transactional events from the retail marketing literature more commonly associated with buying and selling transactions or business deals. The term ‘transitional life event’ was chosen because it is an appropriate reflection of the consequential role transitions these events initiate.

We explore if merely experiencing a certain transitional life event might be sufficient to trigger compulsive buying, and if so, which events might be the worst culprits. Further, we seek to understand if the timing of the event matters: some events might generate temporary shopping sprees while the person deals with the event, eventually going back to healthy buying habits after a while, and other events might generate long-standing compulsive buying outcomes that become cemented into habits. It is also conceivable that the accumulation of stressful events might push consumers over the edge, while each specific event would not be powerful enough to generate negative outcomes. Understanding these differences and intricacies is vital for consumers’ wellbeing and for implementing effective policy measures that balance economic growth considerations and healthy lifestyles.

Our investigation considers and addresses factors that have been identified in the literature as potentially influential on compulsive buying: materialism (Chang and Arkin 2002; Richins 2004; Roberts et al. 2005), self-esteem (Dittmar, Long, and Bond, 2007; Kukar-Kinney, Ridgway, and Monroe, 2012), optimism (Scheier, Carver, and Bridges 1994), and

perceived social support (Cohen and Hoberman, 1983). Understanding how these internal factors are related to life events can enhance the accurate interpretation of their impact on compulsive buying, both together and individually.

3. Methodology

The participants were one hundred and forty-six undergraduate students from a large Canadian university. They completed the paper-and-pencil questionnaire voluntarily, without material compensation for their participation. University students represent an important sample in our context as a major segment of consumers about to become regular shoppers.

The survey included the Compulsive Buying Scale (Faber and O'Guinn, 1992), a seven-item scale employed in research and clinical settings for identifying compulsive buyers (e.g., Rindfleisch, Burroughs, and Denton 1997; Roberts, Manolis, and Pullig 2014). Using the scale, participants rated how often they have engaged in the behavior from each statement on five-point Likert measures ranging from "very often" to "never" (e.g. "bought things even though I couldn't afford them"). Higher scores designate higher levels of compulsive buying.

Respondents' shopping habits were also assessed with the Compulsive Buying Scale of Ridgeway, Kukar-Kinney, and Monroe (2008). It consists of six items rated on six-point Likert scales capturing both the obsessive-compulsive (e.g. "my closet has unopened shopping bags in it") and impulse-control (e.g. "I buy things I did not plan to buy") dimensions, and distinguishing compulsive buying from consequences like financial burden.

Both Faber and O'Guinn's (1992) and Ridgeway et al. (2008) scales allow for broad applicability to general consumer populations. While both are designed to measure compulsive shopping, it is useful to employ the two scales, as the items included in each can capture important facets of the buying addiction and might be differentially impacted by the life events experienced by consumers. Arguably, Faber and O'Guinn's (1992) scale more closely addresses compulsive buying *tendencies*, that is, the desire or inclination towards compulsive shopping, the thoughts and feelings associated with compulsive shopping even when the behavior does not occur (e.g., "Felt anxious or nervous on days when I didn't go shopping"). Hereon, Faber and O'Guinn's (1992) scale is referred to as "compulsive buying tendencies". In contrast, Ridgeway and colleagues' (2008) scale focuses more on the actual compulsive buying behavior (e.g. "my closet has unopened shopping bags in it", "my life centers around buying things") and will be referred to as "compulsive buying behavior".

Transitional life events were measured using an adapted version of the Transactional Life Event Inventory of Mathur and colleagues (2006). To capture the experience of each transitional event, respondents indicated if they have personally incurred any of the listed events (e.g., death of a family member, job loss, chronic illness) and when the event occurred (6 months-1 year ago; 1-2 years ago; 2-3 years ago; 3-4 years ago; 5 + years ago; never). Mathur and colleagues' (2006) inventory was adapted to be more relevant to our sample. For example, the adapted version included events like the death of a loved pet, parental divorce, and the breakup of a significant romantic relationship. Items pertaining to experiences relevant to older consumers (e.g. "birth of a grandchild") were excluded from the list. The inventory was further expanded to include a measure of event intensity, whereby participants rated their felt experience on a scale of 1-7 (not bad at all – very bad). The expanded Transitional Life Event Inventory highlights the complex nature of life experiences and can provide greater insight and depth into the type and intensity of transitional life events compared to merely counting or summing up the number of experienced events.

The above-mentioned scales measured the focal constructs for our study. Other instruments were intently added to the survey, as previous research implied that they may play a role in shopping habits and perceptions. Richins and Dawson's (1992) Materialism Scale was

included with its three sub-dimensions: success, centrality, and happiness. The 18 items rated on five-point Likert scales ranging from strongly disagree to strongly agree (e.g. “I’d be happier if I could afford to buy more things”) were successfully used in previous research (e.g. Chang and Arkin 2002; Richins 2004; Roberts et al. 2005). Participants completed the State Self-Esteem Scale (SSES; Heatherton and Polivy 1991), answering the twenty SSES items on five-point Likert scales as they were true for them in that specific moment (e.g., “I feel confident about my abilities”). Respondents completed a self-report measure designed to assess perceived social support: the Interpersonal Support Evaluation List shortened version (Cohen and Hoberman, 1983). The 12 items gauging perceptions of social support (e.g., “when I need suggestions on how to deal with a personal problem, I know someone I can turn to”) are rated on four-point Likert scales ranging from “definitely true” to “definitely false”.

Finally, participants completed the Revised Life Orientation Test (Scheier, Carver, and Bridges 1994). The scale consists of ten items (e.g. “in uncertain times, I usually expect the best”) measuring the level of respondents’ optimism/pessimism on five-point Likert scales ranging from “strongly disagree” to “strongly agree”. Through an experimental manipulation of social status, our study considered the potential implications of status (in addition to self-esteem and materialistic orientation) on compulsive buying outcomes. The VIP scenarios of (non)preferential treatment to sports games used by McFerran and Argo (2013) to influence feelings of status were employed. The results of our study indicated that perceived social status did not have a statistically significant impact on compulsive buying; as such, it is not discussed further. In the following analyses, any result that is not reported means that the effect is not significant at the .05 level.

4.1. Results: Transitional Life Events and Their Impact

The number of transitional life events experienced by respondents ranged from 1 to 15 ($M = 7.10$, $SD = 2.32$). The two most commonly experienced life events included starting a job (77%) and changing job types (69.1%). The third most common experience was a three-way tie between the death of a parent or close family member, moving out of their parents’ home, and the breakup of a significant romantic relationship (66.4%). The least commonly experienced event was the loss of own job or business (11.7%).

Transitional life events were summed, and an ANOVA analysis showed that the number of transitional life events experienced predicted compulsive buying tendencies, $F(1, 144) = 10.49$, $p = 0.002$.

A series of ANOVA tests were carried out to determine the influence of specific transitional events experienced at any given point in life on compulsive buying. The temporal transitional life event items were factored into two variables (experienced and not experienced). There was a significant difference in compulsive buying tendency scores between participants who had experienced the loss of a job or business ($M = 2.19$, $SD = 0.55$) and those who had not ($M = 1.72$, $SD = 0.53$), in terms of compulsive buying tendencies ($F(1,144) = 12.00$, $p = 0.001$). A second set of Univariate ANOVA tests found that there was a significant difference between those who had experienced the loss of a job or business ($M = 2.70$, $SD = 0.95$) and those who had not ($M = 2.04$, $SD = 0.72$) in compulsive buying behaviors, $F(1,144) = 11.47$, $p = 0.001$. There was also a significant difference in terms of compulsive buying tendencies between those who had experienced the breakup of a significant romantic relationship ($M = 2.22$, $SD = 0.82$) and those who had not ($M = 1.92$, $SD = 0.62$), $F(1,144) = 5.24$, $p = 0.023$. These results indicate that the experience of certain transitional life events does increase both compulsive buying tendencies and behaviors (as measured by the scales of Faber and O’Guinn, 1992, and Ridgeway et al. 2008, respectively).

Next, ANOVA analyses were conducted to test the importance of event timing in influencing compulsive buying. Those who had not experienced the event were excluded from these analyses. The time in which an individual experienced losing a job or business ($F(1,15) = 5.88, p = 0.028$), the death of a loved pet ($F(1,88) = 5.04, p = 0.027$), and moving out of a parents' home ($F(1,95) = 18.53, p < 0.001$) significantly predicted compulsive buying tendencies, such that the more recently the event occurred, the higher the likelihood of compulsive shopping preoccupations.

Finally, the level of intensity for each event was considered in regard to its impact on compulsive buying. Those who had not experienced the event were excluded from these analyses. The intensity of a serious injury, illness, or major surgery influenced compulsive buying tendencies ($F(1,54) = 6.99, p < 0.05$). Also, the intensity of the loss of a job or business predicted greater compulsive buying behaviors ($F(1,16) = 5.30, p < 0.05$).

Overall, while the cumulative effect of transitional events throughout one's lifetime is influencing compulsive buying tendencies, the type of event, the timing, and the intensity of the event are all important factors in determining compulsive buying outcomes. This provides insight into the complexities of transitional life events and the need to go beyond the simplistic count-based approach used in past research.

4.2. Results: Self-Esteem

Linear regressions were used to analyze the relationship between state self-esteem and compulsive buying outcomes. Self-esteem did not have a significant impact compulsive buying behaviors ($p = 0.92$), but it was predictive of compulsive buying tendencies ($F(1,144) = 5.39, p = 0.022$).

Several univariate ANOVAs were conducted to determine if there were any differences in self-esteem between those who had experienced specific transitional events and those who had not. There was a significant difference between individuals who had experienced a diagnosis of a chronic illness or condition ($M = 3.25, SD = 0.71$) and those who had not ($M = 3.59, SD = 0.57$) in state self-esteem, $F(1,144) = 6.28, p = 0.013$. There was a significant difference between those who had experienced placing a parent or a grandparent in a nursing or retirement home ($M = 3.70, SD = 0.57$) and those who had not ($M = 3.41, SD = 0.60$) in state self-esteem, $F(1, 144) = 8.19, p = 0.005$. The timing of the specific events, and the total number of events experienced by each person did not influence self-esteem.

Linear regressions were used to analyze the relationship between the intensity of specific transitional life events and self-esteem. The intensity felt when experiencing a job change was a significant predictor of self-esteem ($F(1, 99) = 4.15, p = 0.044$). The intensity felt with respect to their parents losing their jobs significantly predicted self-esteem ($F(1, 23) = 6.50, p = 0.018$). Finally, the intensity felt about parents' divorce had a significant influence on self-esteem ($F(1, 25) = 8.74, p = 0.007$).

Mediation analyses were conducted using Hayes' PROCESS procedure for SPSS (Hayes, 2022). The analyses were set up to test any mediating effects of self-esteem between transitional life events and compulsive buying outcomes. The specific type of event and the reported intensity of the events were included separately as independent variables in the models, with self-esteem as mediator. None of the mediation models were significant, suggesting that the impact of transitional life events on compulsive buying outcomes is distinct from the impact of self-esteem.

4.3. Results: Materialism

In line with existing theory, linear regressions results showed that materialistic orientation is a significant predictor of compulsive buying tendencies ($F(1, 144) = 8.21, p =$

0.005). Similarly, materialistic orientation has a significant impact on compulsive buying behaviors ($F(1, 144) = 28.05, p < 0.001$). A regression analysis indicated that materialistic orientation was unrelated to the total number of transitional life events experienced ($p = 0.41$). Several ANOVA tests were carried out to determine if specific transitional life events experienced at any given point in life have influence on materialistic orientation. None of the specific life events had significant effects. Also, there was no relationship between the timing or intensity of the events and materialistic orientation.

4.4. Results: Optimism and Perceived Social Support

Moderation analyses were conducted using Hayes' PROCESS procedure for SPSS. The analyses were set up to test the moderating effect of optimism and perceived social support between the transitional life events and compulsive buying outcomes. There were no significant effects of perceived social support ($p > 0.10$).

Optimism was a significant moderator of the relationship between the summed transitional life events variable and compulsive buying tendencies ($F(3,141) = 5.21, p = 0.002$). As reported in the Results 4.1. section, the total number of transitional life events was a significant predictor of compulsive buying tendencies; for every event experienced, there was a 0.06 unit increase in reported compulsive buying tendencies. Optimism had the interactive effect with the number of experienced transitional life events and did not have a main effect on compulsive buying tendencies. A median split on optimism resulted in a two-factor variable consisting of 74 participants who scored 3.5 or lower on the optimism measure and 72 participants who reported a higher score between 3.6 and 5. For low levels of optimism, every transitional life event experienced resulted in a reported 0.59 points higher on compulsive buying tendencies. At high levels of optimism, there was no significant relationship between transitional life events and compulsive buying tendencies.

5. Discussion

This research contributes to the literatures on compulsive buying, life course theory, and self-esteem research as follows. Our study shows that the number of transitional events that a person experiences up to a given point in time is a predictor of their compulsive buying tendencies: as the number of events experienced increases, so too does the reported level of compulsive buying preoccupations. This follows and extends studies like Mathur and colleagues (2003, 2006) who found that the number of life events experienced by consumers can trigger brand preference changes and influence their shopping patterns. Importantly, our participants were young consumers of university age. It is notable that even at this young stage, people who experience more hardship or more challenging transitions in their lives are significantly more prone to the mirage of shopping as a coping mechanism.

Beyond the core relationship between transitional events and compulsive buying, our findings provide empirical depth to the life course paradigm tenets that behavioral outcomes are influenced by factors like timing, duration, and the sequence of events experienced by the individual (Baker et al. 2016; Elder 1998). It is not merely the occurrence of events; it is a combination of factors for each experienced event that shape compulsive buying outcomes. The importance of timing is critical for redress processes and warrants further research attention. For the transitional life events explored herein, the more recent the event was experienced, the greater the impact of the event on compulsive shopping.

Our study offers intriguing insight into the role of state self-esteem on compulsive buying outcomes. The results showed that SSES was predictive of compulsive buying tendencies but not behaviors. Furthermore, the experience of transitional life events was evidenced to impact state self-esteem, without mediation effects on compulsive shopping. These findings are

lending credence to Davenport and colleagues' (2012) suggestion that low self-esteem can motivate individuals to turn to compulsive buying as a "pick-me-up". Low state self-esteem motivates the lesser extremes of the shopping behavior, as in compulsive buying tendencies. Short-lived changes in self-evaluation can prompt the individual to engage in occasional shopping sprees such as buying things to make them feel better once in a while, without that individual having a home full of unopened shopping bags or being perceived as a 'shopaholic' by others. Essentially, our results can speak to the shopping tendencies and behaviors that may precede the more extreme forms of compulsive buying.

Individuals who manifested greater levels of materialism reported greater levels of compulsive shopping. This finding is intuitive and congruent with existing literature. Materialistic orientation is associated with those who are more likely to engage in compulsive buying than the general population (Faber and O'Guinn, 1992).

Optimism is evidenced to act as a buffer against the lure of compulsive shopping. Individuals high in optimism did not feel the need to engage in compulsive buying even if they experienced a cumulative number of tension-generating transitional life events. This provides an interesting angle to the literature viewing optimism as a generalized version of confidence (e.g., Carver et al. 2010); an optimistic person is less likely to turn to addictive coping aids if they feel they are adequately equipped to face life challenges and are confident that everything will work out in the end.

6. Conclusion

Events that result in significant changes in a young person's circumstances or comfort level, specifically romantic relationship breakups, deaths of friends, deaths of loved pets, incurring serious injuries/surgeries, moving out of parents' home, job losses, and working again after a period without work, are shown here to be influential in the development of compulsive buying tendencies and behaviors. The accumulation of life events, the point in time when the event is experienced, and the perceived intensity of the event are also relevant.

While this study provides an important glimpse into the effect of life events on compulsive buying outcomes, it is useful to acknowledge its boundaries and limitations. Our results may be specific to the Canadian university student demographic. Future cross-cultural studies should seek to assess if young consumers across geographic spaces respond similarly to life stressors regarding the use of shopping as a coping mechanism. Future research focused on consumer wellbeing would benefit from studying the impact of transitional life events on those who engage in extreme forms of compulsive buying. It is useful to determine whether the same effects exist at the more extreme end of the compulsive buying spectrum as they do at lower levels. This would provide further insight into the progression of compulsive shopping from occasional sprees to the development of addictive buying habits.

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Discovering Efficient Keywords – An Exploratory Study on Comparing the Use of ChatGPT and Other Third-party Tools

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Abstract

ChatGPT has become a popular keyword discovery tool since it was introduced to the market in late 2022. This study is to compare the effectiveness of this new keyword discovery tool and Spyfu, a widely used third-party tool. The comparison aims to examine which tool is more effective in discovering efficient keywords. The keyword efficiency scores are defined and calculated by using the Data Envelopment Analysis (DEA) based on historical data from a specific period of time. Both ChatGPT and a third-party tool (Spyfu) provide two lists of top keywords with Broad Match and Modified Broad Match. It is found that about forty percent of Spyfu recommended keywords turn out to be efficient, while less than twenty percent of the keywords generated by ChatGPT are efficient. The results of the study indicate that ChatGPT is not as effective in discovering efficient keywords compared to Spyfu. However, ChatGPT is found to be highly effective in predicting search trends and identifying long-tail keywords and query questions that are specific and targeted to the users' needs. A combination of both tools may provide the best results for keyword discovery and strategy fine-tuning.

Keywords: Data Envelopment Analysis (DEA), Keyword Efficiency, ChatGPT, Search Engine Marketing.

JEL classification: M30, M31, M37.

Introduction

One key aspect of successful search engine marketing is the selection of relevant and effective keywords. In recent years, tools such as Spyfu and Google Keyword Planner have been widely used to assist marketers in discovering keywords for their campaigns (Hande and Muley, 2022; Shahzad et al., 2020).

Since its debut in late 2022, ChatGPT, a language model developed by OpenAI, has been gaining popularity in the field of Search Engine Marketing for its ability to generate high-quality and relevant keywords (Cutler, 2023). With the increasing importance of search engine optimization (SEO) and pay-per-click (PPC) advertising, companies are constantly looking for ways to improve their keyword discovery and selection process. Spyfu, a popular keyword research tool, has long been used by marketers for this purpose (Erdmann et al., 2022). However, with the emergence of ChatGPT, there is a need to compare the effectiveness of these two approaches to keyword discovery (Nagpal and Petersen, 2021). This exploratory research aims to compare the performance of Spyfu and ChatGPT in generating relevant and effective keywords for Search Engine Marketing. By doing so, this research will provide initial insights into the strengths and weaknesses of each approach and help marketers make informed decisions about which tool to use for their keyword research needs.

SpyFu – keywords discovery

SpyFu provides insights and analytics on keyword research, which allows users to discover profitable keywords for their own campaigns or analyze the keywords used by competitors (Hande and Muley, 2022).

According to www.spyfu.com, to select keywords, SpyFu uses a variety of data sources and algorithms to provide comprehensive insights on keyword performance, including search volume, cost-per-click, competition, and ranking difficulty. SpyFu also provides suggestions for related keywords and long-tail variations based on the user's search query.

Users can enter a domain or keyword to see a list of related keywords, their search volume, and other metrics such as the number of advertisers bidding on each keyword, the cost-per-click, and the estimated click-through rate. SpyFu also provides information on the historical performance of each keyword, allowing users to see trends over time.

ChatGPT – keywords discovery

ChatGPT can suggest a list of potential keywords related to a particular topic by using three general techniques that are commonly used for keyword discovery: brainstorming ideas and concepts, analyzing user search queries, and using Google autocomplete. Brainstorming can be done by analyzing the content of a website or conducting market research to determine what terms people are searching for. Analyzing the search queries used by users in search engines can provide insights into what keywords people are searching for in relation to a particular topic. Google Autocomplete is a feature that suggests search terms as users type in the search bar. This can provide ideas for related keywords that people are searching for.

Keyword efficiency

According to Jiang (2018), to increase revenue, retailers should maximize keyword efficiency, as Google's quality score mainly affects the cost environment. Hence, retailers with efficient keywords are more likely to succeed than those without. Their study found that keywords should be evaluated by considering multiple variables. The efficiency of search engine strategies depends on an advertiser's ability to maximize their outputs effectively, given the specified resources, and conclude that keyword efficiency is crucial for the profitability of these keywords.

Data Analysis - a case study of an online retailer

Building upon Jiang's research in 2018, this study utilizes Data Envelopment Analysis (DEA) to generate a comprehensive list of efficient keywords using data from an online retailer. DEA is a non-parametric technique that assesses the relative efficiency of decision-making units by considering multiple inputs and outputs (Charnes et al., 1978). Unlike traditional efficiency measures that rely on a single performance metric, DEA provides a more comprehensive evaluation by considering the entire range of inputs and outputs involved.

In the context of this study, DEA is employed to determine the optimal allocation of resources that contribute to the success and efficiency of sponsored search advertising. The concept of price efficiency is derived from Kamakura et al. (1988). In the context of keywords, efficiency is determined by comparing the price of a keyword with its quality or effectiveness. A keyword is considered inefficient if there are other keywords available that offer lower prices while delivering equivalent or higher quality.

Therefore, in this study, we adopt these definitions to assess the efficiency of keywords based on their pricing and quality factors (Jiang, 2018). By identifying efficient keywords in a particular product category of online retailing, we can evaluate the effectiveness of keyword discovery tools based on the percentages of the efficient keywords uncovered by those tools.

$$(\text{Max}) \mathbf{Z}_k + \xi \left(\sum_{r=1}^m \mathbf{s}_r^+ + \sum_{i=1}^g \mathbf{s}_i^- \right) \quad (1)$$

$$\mathbf{h}_j, \mathbf{s}_r^+, \mathbf{s}_i^-$$

Subject to:

$$p_{rk}z_k - \sum_{j=1}^n p_{rj}h_j + s_r^+ = 0 \quad (r = 1, 2, \dots, g) \quad (2)$$

$$\sum_{j=1}^n x_{ij}h_j + s_i^- = x_{ik} \quad (i = 1, 2, \dots, m) \quad (3)$$

$$\sum_{j=1}^n h_j = 1 \quad (4)$$

$$h_j, s_r^+, s_i^- \geq 0 \quad (j = 1, 2, \dots, n) \quad (5)$$

Key variables and parameters are defined in Data Envelopment Analysis (DEA) as follows:

- n represents the number of keywords within each category.
- m denotes the number of inputs considered in the analysis.
- g signifies the number of outputs used to measure keyword characteristics.
- x_{ij} represents the level of the i -type input for the keyword j .
- p_{rj} represents the level of the r -type output (keyword characteristic) for keyword j .
- z_k represents the efficiency ratio for the keyword being analyzed.
- ξ is a small positive parameter.
- s_r^+ and s_i^- are slack variables associated with output r and input i , respectively.
- h_j represents the weight assigned to keyword j .

To solve these DEA models, a computer program is employed. Through this approach, a comprehensive keyword list with efficiency scores calculated for each keyword is generated for evaluation and comparison of Spyfu and ChatGPT keyword discovery tools.

Results and comparison

Out of 899 commonly used keywords analyzed, the DEA analysis generates a list of nearly 300 efficient keywords relating to Online Apparel Retailing in the product category of Cashmere Sweaters.

Table 1. Efficient Keywords – Comparison between Spyfu and ChatGPT

SpyFu (Efficient keywords of its top 20 selection)		ChatGPT (Efficient keywords of its top 20 selection)	
Efficient words	Google Quality Score (1-10)	Efficient words	Google Quality Score (1-10)
cashmere sweaters	8	cashmere sweaters for women	10
women cashmere cardigans	7	cashmere sweaters for men	8
cashmere mens sweaters	8	cashmere turtlenecks	5
mens v neck cashmere sweater	7	cashmere hoodies	5
cashmere polo neck	5		
cashmere sweaters womens	10		
womens cashmere sweater	8		
cashmere mens	7		

Among the top 20 keywords suggested by Spyfu in the keyword discovery process, 40% (8 keywords) are listed on the efficient keyword list through the DEA approach. Those keywords are cashmere sweaters, women cashmere cardigans, cashmere mens sweaters, mens v neck cashmere sweater, cashmere polo neck, cashmere sweaters womens, women cashmere sweater, and cashmere mens (see Table 1 above).

Among the top 20 keywords suggested by ChatGPT, 20% (4 keywords) are listed on the efficient keyword list. Those keywords are cashmere sweaters for men, cashmere sweaters for women, cashmere turtlenecks, and cashmere hoodies. In addition, among the top 20 modified match keywords from ChatGPT in keywords discovery, only 10% (2 keywords) are listed on the efficient keyword list. Those two keywords are +men's +cashmere +sweaters and +women's +cashmere +sweaters.

Efficient keywords suggested by Spyfu and ChatGPT include gender-specific keywords, catering to both women and men seeking cashmere sweaters. Spyfu keywords include more specific keywords related to various styles and types of cashmere sweaters, such as cardigans, v-neck, polo neck, and specific mentions of women's and men's styles.

ChatGPT keywords, on the other hand, focuses more on the general category of cashmere sweaters for women and men, without specifying particular styles. ChatGPT introduces additional styles like turtlenecks and hoodies, expanding the range of cashmere sweater options beyond the basic sweaters suggested by Spyfu. Spyfu includes some repeated keywords, whereas ChatGPT focuses on unique variations for women and men, with specific mentions of gender in the keywords.

In summary, Spyfu demonstrates twice as effective in discovering efficient keywords in comparison to ChatGPT. Also, efficient keywords uncovered by Spyfu and ChatGPT differ in terms of specificity, additional styles, and the level of gender specification. From Table 1, we can see there is not much difference between the selected efficient keywords on their Google quality scores. Both Spyfu and ChatGPT suggest a similar keyword “cashmere sweaters womens”, which has a perfect quality score of 10. The totally different efficient keywords generated from Spyfu and ChatGPT turn out to be the ones having a low-quality score of 5s, for example, cashmere polo neck from Spyfu and cashmere hoodies from ChatGPT. It seems quality score can be used as an additional metric when marketers strive to generate consistent keyword lists from both Spyfu and ChatGPT tools.

Comparison of top 10 query questions

The two sets of questions from Spyfu and ChatGPT focus on different aspects of cashmere sweaters, but there are also some similarities (see Table 2). Both sets of questions include inquiries about how to care for cashmere sweaters, such as cleaning, washing, and storing. There is overlap in the concern for repairing and fixing issues with cashmere sweaters, such as unraveling, repairing holes, and dealing with moth holes. Both sets of questions express an interest in understanding the characteristics and quality of cashmere sweaters.

Spyfu questions are more practical and hands-on, focusing on actions to be taken with old cashmere sweaters, while ChatGPT questions are more informational, seeking knowledge about buying, caring for, and identifying high-quality cashmere sweaters.

Spyfu questions include specific actions like shrinking the sweater, repairing moth holes with images, and fixing holes, while ChatGPT questions explore topics like affordable purchasing options, best brands, and the difference between cashmere and wool. ChatGPT touches on the benefits of wearing cashmere and preventing pilling, which are not present in Spyfu.

Table 2. Question queries – Comparison between Spyfu and ChatGPT

SpyFu (top 10 selection)	Search volume (Monthly clicks)	ChatGPT (top 10 selection)	Search volume (Monthly clicks)
1. What to do with old cashmere sweaters	460 (270)	1. Where can I buy affordable cashmere sweaters?	(150, 150)
2. How to clean cashmere sweater at home	420 (360)	2. How do I care for my cashmere sweater?	(55, 40)
3. How to wash cashmere sweater	400 (400)	3. What are the best brands for cashmere sweaters?	(44, 30)
4. How to unravel a cashmere sweater	360 (250)	4. How do I wash my cashmere sweater?	(400, 400)
5. How to repair hole in cashmere sweater	360 (260)	5. What is the difference between cashmere and wool?	(40, 28)
6. How to shrink cashmere sweater	320 (260)	6. What are the benefits of wearing cashmere?	(<20)
7. How to repair moth holes in cashmere sweater	290 (180)	7. How can I prevent my cashmere sweater from pilling?	(40, 40)
8. How to store cashmere sweaters	270 (270)	8. How do I store my cashmere sweater?	(180, 180)
9. How to fix hole in cashmere sweater	260 (135)	9. What are the different types of cashmere sweaters?	(<20)
10. How to repair moth hole in cashmere sweaters images	230 220)	10. How can I tell if a cashmere sweater is high-quality?	(<20)

Spyfu questions revolve around practical actions and maintenance of cashmere sweaters, while ChatGPT discovers questions focusing on acquiring knowledge about purchasing, caring for, and understanding different aspects of cashmere sweaters.

Both sets of questions can be valuable for search engine marketing, but they cater to different aspects of customer needs and interests. Understanding the use of each set can help inform targeted marketing strategies.

Spyfu questions have higher search volume and estimated monthly clicks. This set is relevant for targeting customers who already own cashmere sweaters and are seeking solutions to specific issues or tasks related to their garments. Search engine marketing can capitalize on these queries by providing helpful and informative content, such as blog posts, tutorials, or videos, that address the various topics in this set. By optimizing keywords and content related to cleaning, repairing, unraveling, and storing cashmere sweaters, marketers can attract users seeking solutions and position themselves as experts in the field. Additionally, offering products like repair kits or storage solutions can complement the content and provide opportunities for sales.

The ChatGPT questions focus on acquiring knowledge and making informed decisions about cashmere sweaters. Most questions in this set do not have much search volume and clicks. However, this set targets customers who are researching before making a purchase or seeking to enhance their understanding of cashmere sweaters. Search engine marketing can leverage these queries by providing educational content, buying guides, brand comparisons, and quality assessments. By optimizing keywords and content related to affordable purchasing, care tips, brand recommendations, and differentiating cashmere from other materials, marketers can attract users in the early stages of the customer journey. Building credibility and

trust through informative content can influence purchase decisions and establish a brand as a reliable source of information. For a company planning to develop new demand and acquire new customers, query questions suggested by ChatGPT are great starting ideas for content creation and promotion strategies.

Conclusions

This exploratory research brings up a brand-new question on the effectiveness of keyword discovery of ChatGPT. A case study using data from a particular online retailer is used to take an initial look at the difference between Spyfu and ChatGPT on their keyword discovery capabilities. Through this study, we hope to provide marketers with a basic understanding of the strengths and weaknesses of these tools and enable them to make informed decisions when selecting a keyword discovery tool for their campaigns. Clearly, judging long-term viability on an overall evaluation of keyword discovery tools such as ChatGPT would need longitudinal studies and comprehensive data from different industries.

To effectively utilize query questions from ChatGPT for search engine marketing, marketers should conduct keyword research to identify the specific queries and search terms related to each question. By optimizing website content, meta tags, and landing pages for relevant keywords, marketers can increase visibility in search engine results pages and attract users actively seeking information or solutions. It is essential to understand the target audience and align the marketing strategies with their needs and intentions to maximize the impact of search engine marketing efforts. It is important to profile the efficiency and the quality scores for keywords provided by ChatGPT before implementing them in Search Engine Optimization and PPC campaigns. We conclude that ChatGPT is not as effective in discovering efficient keywords compared to Spyfu, a third-party keyword research tool. However, ChatGPT is found to be highly effective in providing query questions that are useful in targeting information seekers and new customer acquisition and demand generation.

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An Assessment of Customer Perceptions Towards Product Packaging Design Changes: Insights from the Botswana Fast-Moving Consumer Goods Business

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Abstract

This paper provides insights into the impact of changes in product package design on the purchase decisions of customers. It adopts an emic perspective that favors the perceptions of customers domiciled in Botswana about their point of view regarding brand management studies related to product packaging design. The research sought to address two (2) important research questions: customers' perceptions of changes in product packaging design and the impact of these changes on their purchasing decisions. A mono-method qualitative method was adopted, wherein semi-structured interview questions were posted to participants through an elaborate questionnaire. The research has revealed three (3) important findings. First, ergonomics and aesthetics are the most valued in product package designs. Second, changes in product package design are a positive purchase decision stimulant that affects the perceived value of a product. Furthermore, as much as changes in package design have a positive appeal to the target market, they do come with mixed feelings, and customers become more curious about questioning the legitimate reasons behind the change. This paper has filled the knowledge gap regarding product brand management strategies within the Botswana FMCG environment in so far as changes in product packaging design is concerned.

Keywords: Customer Perceptions, Product Brand Management, Product Packaging Design, Fast-Moving Consumer Goods Business (FMCG).

JEL classification: L81, G41, M31, M10.

1. Introduction

In the highly competitive world of fast-moving consumer goods (FMCG) businesses, product packaging plays a crucial role in grabbing consumers' attention and influencing their buying decisions. It serves as the initial point of contact between the product and the consumer, conveying important information, establishing brand identity, and evoking emotions. With an understanding of the significant impact packaging design has on consumer perceptions, businesses are constantly seeking innovative ways to enhance their packaging strategies. However, the effects of packaging design changes on customer perceptions are still not well-explored, especially in the context of Botswana. As Botswana's economy rapidly grows in Southern Africa, there has been a remarkable increase in consumer demand for FMCG products. As competition intensifies, local businesses are compelled to stay ahead by adopting dynamic marketing strategies. Consequently, they are driven to evaluate the influence of packaging design changes on consumer perceptions. Understanding how customers perceive and respond to such changes is crucial for businesses to make informed decisions and effectively position their products in the market.

The need to explore customer perceptions towards product packaging design changes in the Botswana FMCG business can be attributed to several important reasons. To start with, packaging design alterations require a significant investment from companies, involving substantial time, effort, and financial resources. Therefore, it is vital to assess the impact of these changes.

Also, it is crucial to have a deep understanding of Botswana's consumer landscape, which is composed of individuals from different cultural, social, and economic backgrounds. This understanding is essential in order to effectively gauge how various segments of the population react to alterations in packaging design. By identifying specific customer preferences and attitudes towards these changes, businesses can adapt their strategies accordingly, resulting in improved customer satisfaction and loyalty.

Furthermore, while numerous studies have examined the impact of packaging design changes on consumer perceptions in developed economies (García-Arca et al., 2017; Georgakoudis et al., 2018; Hellström et al., 2017; Jain & Hudnurkar, 2022), customer reactions to new product packages (Holmes & Paswan, 2012), the relationship between product design and market performance (Kwaku & Fan, 2020), and the nexus between product packaging and purchase intentions (Waheed et al., 2018), the Botswana FMCG market remains relatively under-researched in this regard. The cultural nuances, unique market dynamics, and socio-economic factors of the country demand an empirical investigation specific to its context hence provide valuable insights into customer perceptions towards packaging design changes in Botswana's FMCG sector. Through an empirical investigation, we aim to disentangle the leading factors that influence customer responses, such as perceived quality, aesthetic appeal, information clarity, and brand association as well as how these now impact their purchase decision.

Finally, the research should have satisfied the objectives of understanding the attitudes of retail customers towards refreshed product package designs in Botswana, the impact of these changes on their purchase intentions, and provide empirical evidence of the relationship between changes in product packaging designs and customers' purchase decisions. The managerial implications of this research are that it provides a blueprint for the different factors that FMCG businesses should consider when going for a change in the redesign of their product packages. From a theoretical perspective, it is envisaged that this research can spark a new agenda for further investigation into the subject matter of product packaging design within the Botswana context.

2. Literature Review

This section focuses on the theoretical foundations and literature in support of this research. Discussions at this point will focus on product brand management, product packaging design, best practices for product packaging design, a narrative on the rationale for changes in product packaging design, and the strategic connection between product packaging design changes and sales performance.

2.1 Product Brand Management

The use of branding has been in existence since time immemorial to distinguish the products and services of one business from the other (Keller, 2003). It is an important element of consideration for those in management, as it requires those associated with an organization to understand some branding basics (Keller, 2013). Therefore, a brand is a form of identification used to differentiate products and services in the market from one another (Iglesias & Ind, 2020). Brands are composed of different elements, including logos, signage, package design, and other distinct characteristics that bring about differentiation in product and

service offerings (Iyer et al., 2021). The most appropriate definition of a product for the purposes of this paper is that it is an offer made to the market for purposes of acquisition, consumption, attention, and use to satisfy specific needs and wants (Keller, 2003; Keller, 2013).

Product brand management in this paper is defined as a set of practices that places emphasis on the strategic differentiation of products and services in the market. Studies (Razak et al., 2020) have examined one of the most successful brand management stories in Apple Inc. to provide insight into what it takes to have a product that resonates well with the market. Other studies have examined the elements of brand management, such as experience, trust, and resonance (Husain et al., 2022), which are all important in the success of a brand. Successful product brand management creates more awareness in the market and has the potential to result in the traction of customer preferences towards products compared to others.

2.2 Product Packaging Design

Product elements are important in the strategic imperative of business offerings to the target market (The Chartered Institute of Marketing (CIM), 2015). Each product is packaged in a distinct manner for differentiation (Czinkota et al., 2021). This is one of the most important factors in the fast-moving consumer goods (FMCG) business. Salient features in packaging include font illustrations, color packaging, print details, wrapping design, handling features, logos, and packaging textures (Rajkumar & Jain, 2021). Waheed et al. (2018) postulate that the use of packaging in retail has increased consumer choices and can have a significant impact on purchase intentions. The use of efficient design in packaging is one such preference element that ensures a successful interface with the customer (Velasco et al., 2015).

Most of the time, aesthetics have a significant impact on customers' preferential choices when making a purchase. Stefani et al. (2006) note that products with an appealing visual presentation have an upper hand in influencing the purchase decisions of different customers. This has a modicum of truth, as it shows that the packaging design must be precise enough to capture the attention of customers.

2.3 Best Practices for Product Packaging Design

The use of packaging in product management is essential for improving and promoting innovation and sustainability in volatile global supply chains (García-Arca et al., 2019). When packaging products for distribution into the market, business entities must prioritize consumers' interests (Gofman et al., 2010). Best practices in the design of product packages are concerned with the ethical rigor inherent to the product packaging process. The literature on best product packaging design emphasizes the sustainability imperative (García-Arca et al., 2019; Rezaei et al., 2019) based on the 1987 Brundtland Report, which outlined three (3) pillars as most important for sustainable business practices: environmental, economic, and social (Crane & Matten, 2016). At the environmental level, packaging should be done in a manner that has minimal impact on the environment by promoting returnable packaging (Grönman et al., 2013), reducing raw material consumption (Oloyede & Lignou, 2021), and protecting the product in question to reduce potential losses (García-Arca et al., 2017).

At an economic level, the focus should not only be on maximization of sales output through reinforcement of product differentiation; it must sharpen efficiencies in the areas of cost reduction, optimized handling and packing, and improved transportation and storage capabilities to minimize losses (García-Arca et al., 2019; Rezaei et al., 2019). Furthermore, on a social level, packaging design can be seen from different perspectives, such as containing product information that is most honest and accurate, transparent, and clear, and adapted for the needs of different customer segments, such as those in old age and with disabilities

(Hellström et al., 2017). In addition, they must guarantee safe usage without compromising the welfare of those who purchased them (Pålsson, 2018). All these elements of packaging design practices should be able to enhance the performance of the product and optimize its resonance with customers.

2.4 Rationale for Changes in Product Packaging Design

All products go through a series of stages known as the product life cycle (PLC). The PLC is a series of phases that demonstrates the sales performance of a product (Kotler & Keller, 2016) and has four (4) distinct stages: Introduction, Growth, Maturity, and Decline (Iveson et al., 2022; Restuccia et al., 2015). This concept has a strong application in marketing (Prasad et al., 2019) and is relevant to value-addition strategies, such as product packaging. Figure 1 provides an elaborate illustration of what occurs at each distinct PLC phase.

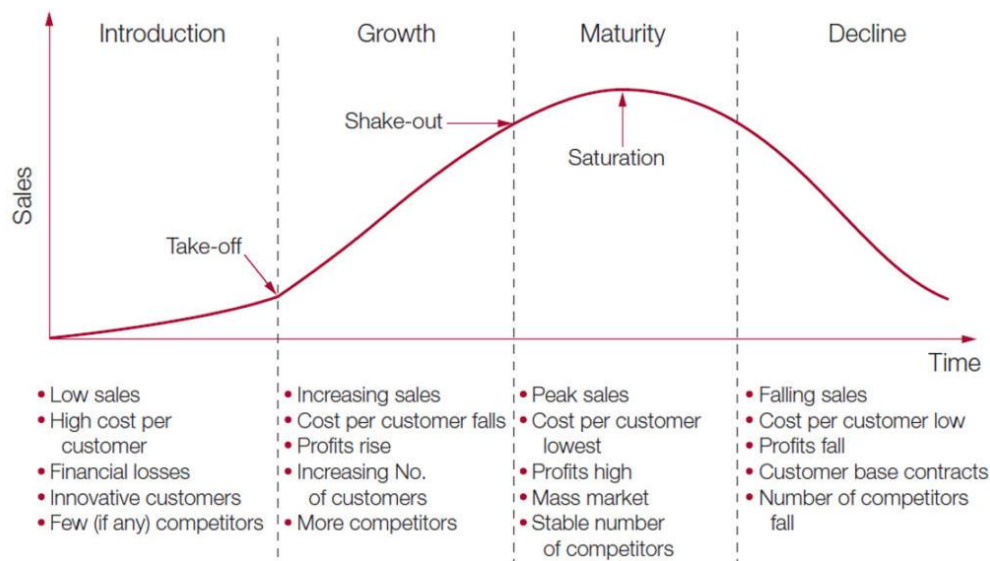


Figure 1: PLC Distinct Stages - Source: (Prasad et al., 2019)

Packaging plays a crucial role in the value chain of different businesses (Kwaku & Fan, 2020) and is a blueprint for effective advertising communications (García-Arca et al., 2017; Rajkumar & Jain, 2021). To keep their products afloat in the market, FMCG businesses must create an appealing shelf attraction to prospects so that their offerings become more recognizable. As demonstrated in the PLC illustration, as time goes on, this fades out and calls for a refreshed look that can reignite what was once a profitable relationship with the target market.

The literature provides evidence that good packaging designs tend to give products a better market value, as they are also a critical sales tool (Holmes & Paswan, 2012; Kwaku & Fan, 2020).

Think of changes in package design as a redefined communication tool to give customers the “bigger and better” impression on the product in question. Georgakoudis et al. (2018) argues that packaging performance is one of the strategic considerations that companies use to improve logistical and financial efficiencies in their operations. Owing to the ongoing debate on sustainability (Georgakoudis et al., 2018; Jain & Hudnurkar, 2022), changes in packaging design are used to reiterate the commitment of business communities to set priorities on the sustainable business practices agenda (García-Arca et al., 2017; García-Arca et al., 2019; Oloyede & Lignou, 2021; Pålsson, 2018; Rezaei et al., 2019).

2.5 Strategic Connect Between Product Packaging Design Changes and Sales Output

As the PLC illustration in Figure 1 shows, it is important to track the sales performance of a product to ascertain whether there is some value addition to the business. The products are sold to the target market to improve the financial prospects of business operations. Zhang & Yang (2021) assert that using special packaging can help companies to achieve a better market share as the image of products affects the consumers' purchase decisions. To put this into perspective, Silayoi & Speece (2004) developed a conceptual model comprising of the informational and visual elements of packaging design leading to customer purchase decision. As illustrated in figure 2, the interaction between these two elements plays a different role in convincing a customer to make a purchase decision.

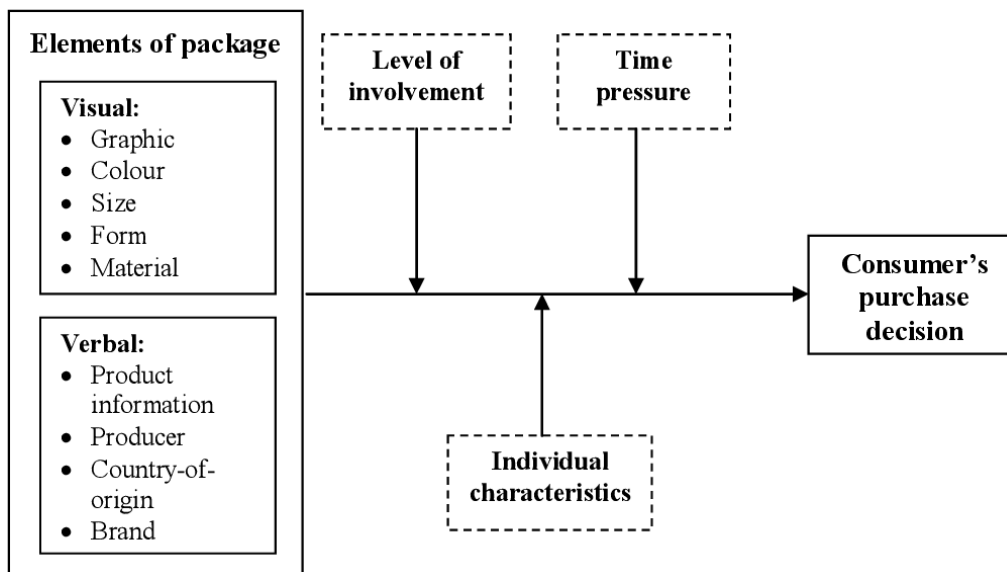


Figure 2: Packaging and Purchase Decision Conceptual Model - Source: (Hussain et al., 2015; Silayoi & Speece, 2004)

If done right, changes made to the design of product packages can improve the sales prospects of a business. Salient features, such as ease of handling, transparent informational elements, and appealing graphics, act as stimulants that can induce impulsive purchase decisions. Holmes & Paswan (2012) highlighted in their research that about 70 percent of purchase decisions on pre-packaged goods at retailing outlets are made at the point of sale. Therefore, packaging can be viewed as a communication tool that customers use to evaluate a product before making a purchase decision. This clarifies that to improve sales prospects, FMCG entities must be mindful of all the branding elements in product packaging, as well as the best practice factors to consider.

3. Research Methods

This research is exploratory in nature, as it seeks to unearth the attitudes of customers on product packaging design changes, and it is a phenomenon that has not been investigated in detail within the Botswana FMCG business. An inductive approach was selected as the best suited to address the purpose of the research, considering that it has been established little is known about the subject matter of investigation. A mono-method qualitative approach was used, wherein participants answered semi-structured interview questions in an elaborate questionnaire. Qualitative research is best suited for understanding the lived experiences of target participants through subjective meanings attached to those experiences as it has been preferred.

The target population of the research is the general public of Botswana, who are customers of the FMCG retailing businesses. Participants were recruited using non-probability purposive sampling. Screening questions were included in the questionnaire so that the appropriate participants could access the rest of the research instrument. The data collected were then coded with MAXQDA and themes were generated in line with the set research questions.

4. Findings and Discussion

A total of 150 participants responded to the questionnaire, and the table below summarizes their demographic profiles.

	Frequency	Percentage
Gender		
Male	90	60
Female	60	40
Age Composition		
26 - 35 Years	100	67
36 - 45 Years	30	20
46 - 55 Years	20	13
Participants Education Level		
First Degree	70	47
Diploma	30	20
Masters	30	20
Doctorate	0	0
Other	20	13
Location of Participants		
City	40	27
Town	80	53
Village	30	20

Table 1: Demographic Profiles of Participants – Source: Authors (2023)

Themes representing perceptions of customers towards changes in product packaging design and the impact these changes have on their purchase intentions are as discussed below.

4.1 Ergonomics and General Product Appearance

All respondents identified ergonomics and aesthetics as among the most important elements that influenced their interface with a product. On further observation, it was established from the participants responses that this is more inclined towards factors such as – “ease of handling, legible labelling, clear logo designs where applicable, font choice, durability, weight, and colour combination.” The impact of these factors encourages customers to interact with the product on the shelf and could prompt a purchase decision at the point of sale. As one participant highlighted – “*A good package design can influence people to buy the product just because the packaging is appealing. More should be invested in good packaging design. The quality of the product must compliment the outside look as well.*”

This comment suggests that if the package design of a product is not appealing, it would have a negative impact on the perceived quality of a product. Customers tend to gravitate towards well-designed product packaging, as it is probable that it sparks a more welcoming attitude from the target market.

4.2 Improved Perceived Value

“Product aesthetics can influence the inferences that consumers make about functional attributes.”

“Yes, because it always influences my trust in the quality of the product hence influence my decision to buy or try the product.”

The two statements above are more representative of the research question that seeks to understand the impact of changes in product package design on the purchase intent of customers. There appears to be a positive correlation between these two elements. A more welcome change in package design would have a good reception from the target market. Customers seek a value for monies spent when making a purchase as one participant stated that – *“an elaborate change in the packaging of a product is likely to improve the perceived value of a product.”*

This improved perceived value leads to a purchase decision, thus influencing the sales performance of the product in question. It could be argued that for the most part change in the design of a product package has a positive appeal to the target market as evidenced below -

“I would buy a new product without a doubt because to me a new packing means the producer is putting effort in ensuring that the product is better and attractive always”.

4.3 Increased Inquisitiveness

The element of trust must be maintained in all business aspects. This includes marketing initiatives just like changes in product packaging design been discussed. It was established through this theme that whilst changes in packaging design can be appealing to the target market, customers also experience mixed feelings owing to the fact. One participant expressed that – *“a change in the design of product package will make me question whether the contents are still the same, spark curiosity to purchase, and why the package design was changed.”* Customers would become curious and question the reasons behind the changes and seek legitimate justifications to support. One participant also noted that it makes one question – *“whether the product has failed, problem with sales output, and if it is a matter of brand repositioning.”* This proves that as much as changes in product package designs are a good purchase stimulant, as noted above, it also results in noticeable confusion within the target market. Therefore, this suggest that to alleviate customer concerns when changing the design of product packages, clear communication should be provided such that customers have a better scope about purpose and benefits of packaging design changes.

5. Conclusions

The purpose of this study was to assess customer perceptions of changes in product packaging design in Botswana's FMCG sector. This study fills a knowledge gap in understanding product branding strategies specific to the Botswana context by investigating the impact of packaging design changes on customer purchasing decisions. The results will provide valuable insights to companies operating in the fast-moving consumer goods sector in Botswana, enabling them to make informed decisions on packaging design changes and effectively position their products in the market. make it possible.

The research results revealed several important findings. First of all, we found that Botswana customers attach great importance to the ergonomics and aesthetics of product packaging design. Visual appeal and usability were identified as key factors influencing customer perception and purchase decisions. Businesses should prioritize these factors when considering redesigning their product packaging to increase customer satisfaction and stand out on the storefront.

Second, the study shows that changes in product packaging design have a positive impact on customer purchasing decisions. By renewing the package design, customers will be able to increase the value of the product and stimulate their desire to purchase. Effective packaging design changes can grab customer attention, differentiate your product from the competition, and provide a sense of innovation and quality. However, it is important for businesses to ensure that changes reflect customer preferences and are consistent with their brand image so as not to confuse or alienate customers.

Additionally, research findings show that while packaging design changes are generally well-received by customers, they can have mixed feelings and curiosity about the reasons behind the changes. Customers may question the legitimacy or necessity of design changes, especially if they have a strong affinity for the previous packaging. Therefore, companies should be proactive in communicating and providing clear explanations of packaging design changes to address customer concerns and maintain transparency. This helps build trust and ensure a smooth transition for your customers. The implications of this study are both operational and theoretical. From a business perspective, the results provide practical guidance for Botswana FMCG companies. By understanding customer preferences and perceptions of packaging design changes, businesses can adjust strategies and optimize the impact of these changes on purchasing decisions. By prioritizing aesthetics, ergonomics, and effectively communicating the reasons for changes, businesses can increase customer satisfaction and brand loyalty, ultimately increasing sales.

From a theoretical point of view, this study contributes to the limited literature on product packaging design in Botswana. It provides insight into the unique market dynamics, cultural nuances and socio-economic factors that shape customer perceptions in the FMCG sector. By incorporating an emic perspective and focusing on customer perceptions, the study provides a comprehensive understanding of the impact of packaging design changes on purchasing decisions in the Botswana market. It also highlights the need for further research in this area to increase knowledge and refine packaging design strategies in local contexts.

In summary, this study reveals the importance of product packaging design changes in the Botswana FMCG business and its impact on customer perceptions and purchasing decisions. Businesses must consider aesthetics, ergonomics, and effective communication of design changes to maximize customer impact. By understanding customer preferences and addressing customer concerns, companies can use packaging design as a strategic tool to differentiate their products, enhance their brand image, and compete in the competitive Botswana FMCG market.

6. Recommendations for Future Research

Investigate the Effect of Cultural and Regional Factors: In the future, research can investigate how cultural and regional variances affect customer perceptions of changes in product packaging design. Examining how dissimilar cultural backgrounds and regional inclinations shape customer attitudes and actions towards packaging can provide valuable insights for businesses that operate in diverse markets.

Explore the Significance of Sustainability in Packaging Design: As sustainability becomes increasingly significant in business practices, future research can focus on the impact of sustainable packaging design on customer perceptions and purchasing decisions. Understanding how environmentally friendly packaging affects customer perceptions and how

businesses can effectively convey their commitment to sustainability through packaging can be an interesting area of exploration.

Assess the Importance of Emerging Technologies in Packaging Design: With the latest technological advancements such as augmented reality (AR) and smart packaging, it would be beneficial to scrutinize how these innovative packaging solutions influence customer perceptions and engagement. Investigating the effectiveness of interactive packaging experiences and the potential for enhancing customer interactions and brand experiences can be a beneficial area for future research.

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