

# Proceedings of the 14<sup>th</sup> International Conference of the Society for Global Business & Economic Development (SGBED)

Global Connectivity, Knowledge and Innovation for Sustainability and Growth: New Paradigms of Theory and Practice

## **Editors**

Vidya Atal Ram Sewak Dubey

Montclair, New Jersey, USA June 21-24, 2016

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# Society for Global Business & Economic Development (SGBED): Two decades of Accomplishments

### ■ Dr. C. Jayachandran, President, SGBED

It is my honor to present to you all the 14<sup>th</sup> SGBED conference organized at the beautiful facilities of the Feliciano School of Business in June 21-24, 2016. We are grateful to Montclair State University President Dr. Susan A. Cole for her interest in SGBED activities as reflected in her participation and presentation of keynote addresses in several of our conferences. Dr. Cole's continued support and encouragement to engage in international collaboration that advance research and teaching had a significant impact on our accomplishments. Our Provost Dr. Willard Gingerich, Feliciano School of Business Dean Dr. A. Gregory Cant and Vice- Dean Dr. Kimberly Hollister, and Dr. Robert Prezant, Dean, College of Science and Mathematics have enthusiastically supported the idea of bringing the SGBED 14<sup>th</sup> conference to Montclair and helped in crafting a theme that reflects the interdisciplinary nature of the conference. They have provided generous support in terms of financial, physical and above all the encouragement to make this possible. Almost two decades ago, thanks to a US Federal grant Dr. Philip LeBel, former dean of the MSU Business School and myself had an opportunity to meet with President Dr. Sun Weiyan and Dean Dr. Lin Guijun at the University of International Business and Economics (UIBE) in 1995 in Beijing and developed a collaborative proposal to advance academic research and scholarship at an international level and today I am happy that this initiative had matured over the years.

Driven by the above objective, SGBED had successfully implemented 13 major conferences in Beijing (1997, 1999, 2000), Guangdong (1998), Chennai (1998), Bratislava (2001, 2009), Bangkok (2003), Guadalajara (2004), Seoul (2005), Kyoto (2007), Singapore (2011), Ancona, Italy (2014). Five research symposia were implemented in Nanjing (2015), IIM Bangalore (2012), Barcelona (2010), Dubai (2009) and Bangkok (2006). These conferences and research symposiums have attracted more than 4,000 academics and generated peer reviewed publications in 20 volumes of proceedings containing more than 2.000 research papers and several special issues of peer reviewed journals, and five books of readings.

Highlights of the 14<sup>th</sup> Conference held at the Feliciano School of Business: The SGBED conference presented at the brand new facility of the Feliciano School of Business reflects a feeling of home coming and an accomplishment which started with an informal relationship between Montclair State Center for International Business (CIB) and UIBE, had now matured with a global reach to advance interdisciplinary research that focus on international business and development issues. The 14<sup>th</sup> conference is jointly presented by Feliciano School of Business and Montclair State PSEG Institute for Sustainability Studies along with UIBE, Curtin School of Business, EADA Business School, FOX School of Business, IIMB, Comenius University in Bratislava, University of Guadalajara, VIT University, and other partner institutions.

Unlike the earlier conferences, the 14<sup>th</sup> conference is presented in a four day format to facilitate preconference workshops: doctoral symposium for Ph.D. scholars and a workshop on manuscript development; besides the conference facilitates a full-day event, "Understanding Global Value Chains: How to Prepare Students for Success in an Increasingly Interconnected World" for Community College faculty and administrators from the Northeast. This event is presented by the Centers for International Business Education & Research (CIBERS) of Temple Fox School of Business, University of Connecticut and Michigan State. The main conference is organized into plenary sessions, multiple concurrent sessions and a poster session to facilitate discussion of more than 150 research submissions from 30 + countries. For the first time, the 14<sup>th</sup> conference will use Skype to facilitate such of those participants who cannot participate in person. Besides publishing the conference proceedings, the conference will facilitate publication of selected papers in five peer reviewed journals. The conference will end with a gala dinner, awards distribution and a cultural tour of New York City.

Most importantly, this conference wouldn't have been possible without the dedicated work of several colleagues. Our Co-Chairs, Drs. Yam B. Limbu and Susana Yu, proceedings editors Drs. Vidya Atal and Ram Dubey, and Dr. Amy Tuninga, Director, PSEG Institute of Sustainability Studies, along with a committed group of

50 + regional coordinators, Phil Mattia at Feliciano School of Business and Ms. Martina Brogliotti at Universita Politecnica delle Marche, Italy who managed the web support have been instrumental in making this conference possible.

Making the Academic Conferences Affordable & Impactful: Unlike other academic organizations, SGBED does not collect annual membership fee and largely depend on institutional support, sponsorships and the support provided by a large network of coordinators make these conferences affordable and also global. Besides our participants like the SGBED format as it provides a balance between academic scholarship and practice by presenting leaders from government and business.

Notable Government Leaders: Government officials who spoke at the SGBED conferences include: China: The Vice-Premier Hon. Li Lanqing, Madame Wu Yi, Ministry of Foreign Trade and Economic Cooperation, Hon. Chen Yuan, Dy. Governor of Peoples' Bank of China, Hon. Wang Guangxian, Dy. Governor of Guizhou Province; India: Her Excellency Justice Fathima Beevi, Governor of Tamil Nadu, The Tamil Nadu Hon. K. Anbazhagan, Minister of Education, The US Consulate General Ms. Michele J. Sison, Slovakia; The Charge D'Affairs of the USA in Slovakia, Mr. Douglas C. Hengel, Hon. Ivan Miklos, Deputy Prime Minister of Slovakia for Economic Affairs, Hon. Lumomir Fogas, Deputy Prime Minister of Slovakia for Legislation and Maria Kadlecikova, Deputy Prime Minister of Slovakia for European Integration.

Nobel Laureates & Leaders from Academia: Former President of Montclair State University Dr. Irvin Reid, and President Dr. Susan A. Cole have delivered keynote at different conferences in China, Mexico, Bratisvala and Bangkok; Dr. Edmund Phelps, Nobel Laureate in Economics delivered a keynote in Bangkok; and Dr. Ferid Murad, Nobel Laureate gave a keynote on science and development in Mexico. Dr. Peter Buckley, former President, Academy of International Business (AIB) delivered in keynote in Beijing; Dr. Howard Thomas, former AACSB President and Dean of the Singapore Management University, Provost & Professor Dr. Raj. Srivastava and Dr. G. Viswanathan, Chancellor, VIT University delivered a keynote in Singapore.

Notable Business Leaders: Dr. Raja Mitra of World Bank, Mr. Max Qu, Chairman & CEO of HI Sun Technology Ltd, Mr. Steven Carroll, China Group Controller of Motorola, Mr. Bill Bowers, VP & Controller of Motorola, Mr. Peter O'Connor, CEO, Asia Pacific Region for CIGNA International, Dr. Michael Zipp, MD, Henkel Investment CO. Ltd, Mr. David Alstrom, VP, Ericsson (China) Company Ltd, Mr. Andy Lai, Greater China Marketing Director for HP, Mr. John Parker, Chairman, American Business Council, and Mr. Ron Sommers, CEO, Mangalore Power Co, Mr. Slaomir Hatina, Chairman of the Board of Directors of Slovnoft, Mr. Jozef Uhrik, General Manager of Volkswagen, Mr. Stefenec, President, Coca-Cola Beverages, Mr. Marian Nemec, President, National Bank and Mr. Ludomir Slahor, President, EXIMBank were invited to deliver keynote in Beijing, Chennai, Bangkok, Seoul, Kyoto and Bratislava.

Notable Corporate Sponsors: Ford Operations Ltd (Thailand); Sony Corporation Ltd; Fuji Zerox Ltd; Slovnoft, a.s. Bratislava; ProCS s.r.o (Slovakia); US Steel Corporation Ltd (Slovakia); Cigna Corporation Ltd; Ericsson, China; Motorola (China) Electronic Ltd; Henkel China Investment Corporation Ltd; China Cotton Industries Ltd; Hi-Sun Technology Ltd; Hendan Iron & Steel Group Co. Ltd, China; Sealed Air Corporation, NJ; Precision Custom Coatings LLC, NJ; Shinawatra Corporation Ltd (Thailand); PTT Exploration and Production Plc (Thailand); Konica Minolta, Rohlm Corp; Murata Machinery Corp; Kyocera (Japan); Sun Microsystems (Korea), S.K. Telecom (Korea), Omni Life, Sophia Laboratories, InterAmerican Investment Corp (Guadalajara), and others sponsored our conferences in different locations.

## **Co-Chairs & Hosts of SGBED Conferences (most recent, first)**:

Dr. Yam B. Limbu & Susana Yu: Feliciano School of Business, Montclair State University, NJ (2016)

Dr. Silvio Cardinali: Universita Politecnica delle Marche, Ancona, Italy (2014)

Dr. Sudhi Seshadri: Lee Kong Chian School of Business, Singapore Management University (2011)

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- Dr. Silvia Dorantes Gonzales: Universidad delle Valle de Atemajec (UNIVA), Guadalajara (2004)
- Dr. Paul Himangshu: Asian Institute of Technology, Bangkok (2003)
- Dr. Jan Rudy, Faculty of Management, Comenius University in Slovakia (2001)
- Dr. Lin Guijun: University of International Business & Economics (UIBE) Beijing (1999, 2000)
- Drs. Balasubramanian & Dastagir: IIM Bangalore & Md. Sathak Trust, Chennai (1998)
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Dr. Sherriff Luk: Nanjing University of Finance & Economics (2015)

Drs. Vishnuprasad Nagadevara & Vasanthi Srinivasan: Indian Institute of Management Bangalore (2012)

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## **Some thoughts for the Future:**

SGBED is soliciting institutions to sponsor the 6<sup>th</sup> research symposium in the summer of 2017 and the 15<sup>th</sup> International conference in the summer of 2018. Interested institutions or coordinators can submit a proposal. SGBED also invites proposals to establish a journal, either online or in print. Any scholar interested in taking a leadership towards this effort is invited to submit a proposal.

Thank you for your continued support and cooperation.

### **Preface**

The world is becoming increasingly interconnected across all fronts at an unprecedented pace; it is deemed that networks, knowledge and innovation, and entrepreneurship drive growth and development. The rise of emerging markets and growth of global supply chains are attributed to globalization and ICT; nations and firms continue to form strategic levers using the power of comparative advantage; and human capital worldwide is becoming more mobile and virtually engaged despite the national boundaries. The developments have also caused dramatic structural and organizational changes and disruption of traditional businesses and job markets. Global investments in commodities and indiscriminate exploitation of natural resources affected the sustainability of global ecosystems. Equal access to education, knowledge and health are also under the microscope. The challenges of rising inequalities in wealth and income, economic stagnation, unemployment, and the impact of globalization have also taken the center stage of public discourse. These trends bring heightened levels of responsibility to business, institutions and society.

In view of the strategic importance of these challenges, the 14<sup>th</sup> International Conference of the Society for Global Business & Economic Development (SGBED) invited academic and professional perspectives in the form of empirical research, case studies and applications on a wide range of related topics. The overwhelming response received from scholars and practitioners from around the world bear testimony to the importance of the chosen theme and currency of the conference.

The papers included in these Proceedings have been selected through a rigorous review process of over 300 scholarly papers. Both full papers, as well as selected papers in the abstract form are published here. Altogether, the selected papers and research abstracts represent over 150 universities located in 40 different countries. The sheer size and scope of the conference necessitated the publication of the proceedings in the CD-ROM format.

The full papers have been divided in broad categories of themes: Accounting, taxation and business law; Economics, finance, real estate, banking and public policy; Entrepreneurship, SMEs and NGO; Information technology and operation management; International business, MNEs and global issues; Management, organizational behavior, corporate governance, legal issues and human resources; Marketing, services, e-commerce, sports and tourism; Pedagogy; and Sustainablity and environmental issues. These papers cover a broad range of issues. To name a few, the topics related to global, regional and country level trends in trade and investment, innovations and volatility in financial markets, rapid advancement of Information and Communications Technology and its influence on business delivery system, pedagogy, sports tourism, new trends in risk and resource management, cultural conflict, environmental equity and challenge of sustainable growth, choice of appropriate corporate governance system, and, enforcement of international accounting standards have received a great deal of attention in the conference contributions. Accordingly, the papers have been grouped under 9 sections representing the major topics of the conference. An additional section, section 10, has been added to accommodate all the selected abstracts with interesting ideas for future research.

Contributions from authors around the world helped make this volume an integrated, cohesive inquiry into the major drivers of global business today and the required directions for sustainable growth in business activities in the future. We express our sincere gratitude to all these authors.

We believe these proceedings offer some of the best information available in the area of global business and economic development. We hope this publication will contribute to the success of those willing to pursue scholarly research on global business trends in the context of a changing environment.

**Editors** 

#### **Disclaimer:**

All papers and abstracts included in this volume have been formatted to ensure uniformity in style of representation. Uniform formatting could possibly modify some of the figures appearing in the papers. In view of the variations in writing styles and language proficiency of the authors, proof reading of these papers was kept confined to ensuring conformity with the APA style. Harmonization of language skill reflected across papers was beyond the scope of the editorial process. Language and grammar used in the papers, thus, remain to be the sole responsibility of the respective authors.

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## The influence of peers and brands in the skateboarding subculture: A Mexico and U.S.A comparison

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#### **Abstract**

The paper shows a comparison about how peers influence the acceptance of brands in the skateboarding subculture, and how the marketing for use specific skateboarding brands is morphing this counterculture subculture into a consumer culture through the use of media and famous skateboarding people. The importance of their symbols is analyzed to see how they are an influence for choosing some of the brands that they wear and use. Two samples from two countries were performed, first in Guadalajara, Mexico, where the skateboarding is popular and still a representation of rebellion, and not fully allowed by the government, and second in Portland, Oregon in the U.S.A, were the city has policies open to the practice of the sport. Statistical analysis was performed to test the hypothesis.

Keywords: Branding, Consumer Behavior, Consumer Culture, subcultures, counterculture, sports marketing.

#### Introduction

The skateboarding subculture has been mutated from be considered some like "white suburban rebels" to a group of consumers who worth to invest in them. Since this subculture appeared in the 1970s, were from be considered something like a young fad, as the same way to the Hula Hoop, to a bunch of rebels and today's a extreme sport were sponsorships invest millions of dollars to have their brand on it (Atencio et al., 2013). People practicing this sport, or having it like a way of life spend millions of dollars in shoes alone: Between 1995 and 2002 only Vans, a classic skateboarding brand, quadrupled its sales to \$353 million dollars (Hamton, 2007). According to the data reported by the Surf Industry Manufacturers Association (SIMA) and published in the Web portal of the magazine Surfer Today (2008) the surf/skate industry is worth \$7.22 billion dollars in 2008. This sport and lifestyle has been steadily growing in numbers: from 1993 to 2000 in the U.S. the skateboarding industry increases to around 10 million, according to the Sporting Goods Manufacturers Association (Dougherty, 2009). But not only the skateboarding has been growing alone; it has been also used to promote different products, from Cars to Soda brands

oriented to young audiences. At the beginning were only oriented to white teenagers but later they include females and minorities in the group (Atencio et al. 2013)

All these numbers have attracted the attention of the major sneakers manufacturing players such as Nike, who initially faced troubles to attract them because the company was perceived as a corporate monster (Hamton, 2007) but its efforts finally caught this subculture into them. The process was no easy, first Nike bought some independent skateboarding shoes companies such as Hurtley, and later performing a huge market research to find out which Nike model, the *DUNK*, a 1985 model very appreciated by the skaters. After those movements Nike finally becomes one of the main players in the skateboarding industry. They key was to communicate the proper image to the skaters of the company not like a giant trying to get their money.

#### Subculture as a consuming group

"If there is a youth oriented consumer market, then a subculture may be existing" (Feixa, 1998). The members of the subculture add their own style into items such as fashion style, clothes and ornaments (Dowd and Dowd, 2003), but it is not only a "copy and paste" way to adopted all the elements to look like a member of a specific subculture, it is a complex process that not only a marketing campaign would shape the members. There is a discussion about how the adoption process is made. Some researchers argue that the adoption of codes, dressing and other characteristics to fit into a subculture or into a group starts from a higher status role model and goes through the next level and so on until it becomes adopted by the group. Some others states that earliest adopters may not be necessarily in the top levels but they must be part of a network that have access to those innovations (Suzuki and Best, 2003).

Sometimes many fashion trends are originated in lower level subcultures, as was the case with punks, and then their codes of fashion spreads into higher level subcultures, or even they became part of the high fashion. Usually the adoption of distinctive objects go to a process were first a subculture adopts an object, changing their original use and giving it a new meaning: Punks wear Dr. Martens boots to look like a punk, not to use them for work, as those boots were originally intended to be.

Socialization has been a way to learn about brands inside a group of persons, being the consumer the learner and the group the socialization agent to choose a specific brand (Beaudoin and Lachance, 2006). Those teenagers, who are part or interact with a group of similar people, are more concerned about decisions for brands and styles, selecting clothes that represent them (Shim and Kho, 1997). A subculture has a lot with the socialization process in a group, fulfilling criteria among the members of a group (Dowd and Dowd, 2003):

- 1. The members often interact among them
- 2. They share a common view of the word around the characteristics that define the group by itself
- 3. They don't want or cannot be assimilated by a much larger culture, or a dominant culture, so they see as "normal" inside the subculture

During the socialization step the members of a group, especially in their teen years, acquires the attitudes that later will be relevant as consumers (Ward, 1974). The members of a subculture usually look for to reveal an image through the objects that they are using: garments, shows, haircuts, etc. showing their commitment with the subculture ideology. For them, is basic to acquire products related with their group (such as specific brands), it is in a certain way to be committed toward the group.

It has been found that influence over individuals is affected for demographic and socioeconomic factors but also by the environment around the person, so the members of a group may make purchasing decision based on their familiarity with the products or the place where they buy the item (Girard, 2010). When the person is not part of a group, but want to be recognized as a part of them, he or she will try to get the same items used for the members of a

group, but the impact of marketing advertising have influenced both groups (Weale and Kerr, 1970). The interaction among the members of a social group may influence in the choice of a brand, and influenced by peers the pressure to fit into the reference group affects in the economic demands for the teenagers to their parents to get access to the items that they want to be part of the group (Lachance et al., 2010).

#### The Skateboarding subculture

The skaters or skateboarding subculture had been overrated for many years, just perceived as a bunch of rebels no fitting into the society. But is important to state that a subculture is also a culture of consumption (Schouten and McAlexander, 1995), just like another culture, a subculture has their own personality reflected in their lifestyle, including consumer identity, where they reflect their sense of belonging (Fournier, 1998).

The politics about skateboarding are also different between the two cities, while in Portland, Oregon, is considered "the skateboarding capital" of the world, thanks to decades of citizen activism in pro of parks and areas for practicing the sport (Dougherty, 2009), other places such as Guadalajara, Mexico still perceives the skateboarding like a hobby for people who have nothing else to do, usually like a plague. There are not policies for support specific areas where people can use their boards, and sometimes they are persecuted under the idea they are vandalizing the public areas (El Informador, 2013; Prieto, 2013).

Anyway, skateboarding is a lifestyle where the members think about themselves like a rebels, and despite the government programs to give them space, they will look for what is forbidden or illegal (Doughter, 2009). The skateboarding subculture has created their own norms and relationships, oriented more in open participation instead of what they considered "elite competition" or corporate bureaucratic forms of sport: baseball, football, etc. (Beal, 1995). Even more, there is a difference between what they perceived as bureaucratic skate, where the skaters buy commercial and mass-produced products related with skateboarding versus skater who resist the "professionalization" of their sport. When they buy commercially produced items such as skateboards and clothes, they personalize them in order to have their own expression reflected on it, and make a difference (Beal, 1995).

Working with girls who practice skateboarding, Kelly et al. (2005) identified three categories of skaters:

"The 'hardcore' or 'serious skaters', who consider themselves as skaters, frequented skate parks, had mastered a number of tricks, and knew how to assemble their own board.

The 'skaters' (the biggest category), liked the 'lifestyle' but skated more infrequently, and they had usually mastered only the basics, although some knew a few tricks.

The 'skater affiliates', identified as, or were known as, skaters mainly because of their friendships with other skaters, an affinity for skater culture, or both..."

The two late groups are more oriented to be followers than trendsetters but gave value to the fact to be considered different or alternative. Their clothing styles were oriented to the wear by the serious skaters, and have a concern that skater style had become a 'cool' commodity (Kelly e al, 2005).

As happened with other subcultures, like surfing, punk, gothic, etc, skateboarding went from suburban youths to the rest of the world, and other aspects of consumption related with skateboarding became part of the industry: music, movies, clothes, etc. (Moye and Ritz, 2009), today skateboarders and their culture are used by the industry as trendsetters influencing adopters.

Big companies started to pay attention on them, and trying to a assimilate the skaters, some like Nike even purchased front companies oriented to skateboarding such as Hurley and Savier but it prove to be a mistake, until

they got into a model who was accepted by the skaters (Hampton, 2007). Companies like Adidas understand the value of authentic, self-expression and originality and start to work in collaboration with artist to project an idea of an "real" company (Bai et al., 2009), companies traditionally oriented to the skateboarding market started to follow what the big names made, and Vans also launched a campaign for artist collaborating in their shoes design.

#### Hypothesis and experimental design

To see how much the skaters are influenced by their peers, by the media, and how much are brands are important to them, our research focused in items dealing with fashion awareness and dressing codes and was based in the works of Sha et al., (2007) dealing with consumers inside the so called "pink market", oriented to the gay consumers and with a high importance of brand awareness. Additionally we incorporate the influence of peers and Internet on brand sensibility, based in the work of Lachance et al. (2003), but modifying the original item of TV, and not using the family as influence. The proposed hypotheses are as follows:

## H1: The impact of the brand depends on the influence of idols

#### H2: The influence of the brand depends on the influence of the Internet and the brand awareness

#### H3: Brand Impact depends on the brand awareness, the influence of the internet and the influence of friends

The Items for each dimension are built as:

Dimension for "brand impact":

- I use brands made for skaters
- I use brands I consider for skateboarding
- I identify myself as skater wearing skating-only brands
- Real skaters only use skater brands
- I am part of the skateboard movement if I use skateboarding brands
- It is important to use the right brands for practice skateboarding

## Dimension for "peers influence":

- My friends wear brands made for skateboarding
- I wear brands recommended by my friends
- Friends use skate brands

## Dimension for "skate symbols influence":

- I buy my clothes only in skateboarding stores
- I wear in the same style the whole week
- I like the brands wear by famous skaters
- I know which brand are used by my favorite skaters
- I like to dress like my favorite skaters
- I am what I wear

Dimension for "brand awareness":

- I care about my clothes brand
- I care if my clothes are original brands and not a copy
- I only wear original brands
- I wear imitation brands
- I buy my clothes in shopping malls
- I buy my clothes in flea markets

Dimension for "Internet influence"

- I like the clothing brands that I see on Internet
- Brands that I see on Internet influence my clothing style

The survey was performed in two steps: first in Guadalajara, Mexico, between May and June of 2013, visiting skate parks and in the area known as "Chapultepec", a bohemian zone of the city, were young skaters meet and practice their sport. The second part was made in Portland, Oregon, during the month of August, were the skaters were interviewed in the skating zones of the city. To develop this research an exploratory factor analysis was developed for the needed latent variables to apply the method of Ordinary Least Squares (OLS) as part of hypothesis testing.

### **Data Analysis**

The basic assumptions of factor analysis are conceptual rather than statistical type. You can ignore the assumptions of normality, homoscedasticity and linearity, being aware that its failure causes a decrease in the observed correlations. It is desirable to have some degree of multicollinearity, since the objective is to identify sets of interrelated variables (Hair et al., 1999). But in cases of structural equation model is required to have a linearity test data.

To develop the factor analysis, first an inspection must to be performed in order to ensure that the matrix of correlation among the variables is significant. From the 252 variables there 78 were significant at 0.01 level; 71 with a significant level of 0.05; 59 with a significant level of 0.1; and 44 without any significant level. In total there are 208 interrelationships above the 0.10 significance level, so we can continue with the factor analysis.

The next step is to assess the correlation matrix with Bartlett's spherical test, which measures the statistical probability that the correlation matrix is an identity matrix. In this case we have that correlations that were taken together, and significant at the 0.01 level (Table 1 and 2), which is pretty good. Also for this research must have a value of statistical Kaiser - Meyer - Olkin (KMO) of 0.810, so it is appropriate to develop the factor analysis.

TABLE 1. KMO AND BARTLETT'S TEST

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Bartlett's sphericity test	Chi-square Df Sig.	1021.839 253 .000

For the derivation of the factors (latent variables), the principal component method was developed, obtaining six latent variables that analyzes a total of 59.27% of the total variance, a number acceptable by the criteria in the social sciences, moreover, the latent root criterion was applied and according to theory we should consider the factors having self values greater than 1 (Hair et. al. 1999). Developing the following factors is the formation of latent variables (table 3, table 4, table 5, table 6, and table 7):

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Source: Own data

Note: One, two and three asterisk means significance levels of 10, 5 y 1%, respectively

## TABLE 3. FACTOR 1. "BRAND IMPACT"

IT1	I use brands made for skaters	.769
IT2	I use brands I consider for skateboarding	.552
IT3	I identify myself as skater wearing skating-only brands	.756
IT4	Real skaters only use skater brands	.446
IT15	I am part of the skateboard movement if I use skateboarding	.649
	brands	.049
IT17	It is important to use the right brands for practice skateboarding	.645

## TABLE 4. FACTOR 2. "PEERS INFLUENCE"

IT6	My friends wear the same the brands as me	.626
IT16	Friends use skate brands	.823
IT18	I wear brands recommended by my friends	.663

## TABLE 5. FACTOR 3. "SKATE SYMBOLS INFLUENCE"

IT13	I buy my clothes only in skatebording stores	.790
IT19	I wear in the same style the whole week	.501
IT20	I like the brands wear by famous skaters	.640
IT21	I like to dress like my favorite skaters	.587
IT22	I know which brand are used by my favorite skaters	.831
IT23	I am what I wear	.560

## TABLE 6. FACTOR 4. "BRAND AWARENESS"

IT5	I care about my clothes brand	.439
IT9	I care if my clothes are original brands and not a copy	.723
IT10	I only wear original brands	.762
IT11	I wear imitation brands	.449
IT12	I buy my clothes in shopping malls	.656
IT14	I buy my clothes in flea markets	.530

## TABLE 7. FACTOR 5 "INTERNET influence"

IT7 I like the clothing brands that I see on Internet	.653
IT8 Brands that I see on Internet influence my clothing style	.589

Transformations were made to prove the hypothesis of each of the eight latent variables, using the method known as classification of variables, useful to eliminate the dependence regarding the measure units used. Classification of  $\sqrt{x}$  was made to press high values and expand the small ones. To test the hypothesis, an analysis of Ordinary Least Squares (OLS) was also performed, having the following results:

"Skater" identity is influenced by their symbols, we can see that the influence of the skate symbols is significant at a level of 0.10 to explain how brands can impact on urban tribes, if one observes the correlation coefficient (R2) is only just under 0.036, however the F statistic has a significance level of 0.10, which means that globally this model statistically explains reality.

The influence of the brand depends on the influence of the Internet and the brand awareness. The influence of the Internet has a significance level of 0.10, while the brand awareness has a level of significance of 0.05, plus they both have a positive relationship with the dependent variable. If the coefficient R2 is analyzed, this is low, but the overall level of significance there is a significance level of 0.05, which you can say that this model explains 95% of globally influenced brand.

Brand Impact depends on the brand awareness, the influence of the internet and the influence of friends, it is observed that the influence of the brand has a positive and significant relationship with the concern for personal appearance but with respect to variable influence of internet friends and influence of these fail to be significant in explaining the dependent variable. It also has the model globally can explain up to 95 % personal appearance variable.

TARLE 8	<b>HYPOTHESIS</b>	TESTING
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TABLE 8. HYPOTHESIS TESTING				
H1: dependent variable "skater iden	tity is influenced by their symbols"			
Influence of skate symbols	0.190347*			
Constant	0.667572***			
$R^2$	0.035672			
F	4.919942*			
H2: Dependent Variable "Brand Infl	luence"			
Internet influence	0.132413*			
Brand awareness	0.254547**			
Constant	0.491277***			
$R^2$	0.094471			
F	6.885609**			
H3: Dependent Variable "Brand Aw	vareness"			
Brand Impact	0.242782**			
Internet Influence	0.124448			
Peer Influence	0.1875			
Constant	0.519975***			
$R^2$	0.093046			
F	6.771044**			

#### **Conclusions**

As we can observe, the influence on the skaters still is based in their symbols, such symbols are the skaters who appear in the media, and are considered as the top ones. It is important to point the several of them are already signed by big brands related to skateboarding, and they are presented in magazines and sponsored by companies in the skateboarding business.

The influence of their peers for choose a brand to wear and to be considered a "real" skater is not really significant, but it is important the influence of Internet and to know a brand to choose the "right" one. Internet here is having an influence for choose a brand, but not for to be aware of the brand. The name of the brand is still important, probably those are brands considered to be part of the skateboarding subculture, such as *vans*, or *vision street wear*, just to cite some names.

One of the main limitations of this paper was the size of the samples, especially in Mexico, where there were not enough participants. The American skaters were more positive to be interviewed than the Mexican ones, probably because the attitude of the people and the government against them. In Mexico the skaters are perceived as a young people who is just wasting the time and destroying the public property. Another limitation is that the work skipped a question to see which brands were considered authentic for them.

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