

**NEWSLETTER - April 17, 2001**  
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## **Feature Paper**

### **Personality Traits, Purchase Decisions, and Consumers' Perception of Risk**

This paper was presented by Matthew S. Stanford, from the University of New Orleans, Daniel R. Vellenga, All Petrosky, and Steven M. Filling, all from California State University, Stanislaus, at the 30th Annual Meeting of the Western Decision Sciences Institute on April 3-7, 2001, in Vancouver, Canada.

Market researchers have long sought a simplistic, universal means by which to identify likely adopters of new products and services, resulting in the development of numerous innovativeness measures. Almost all of these measures incorporate some component dimension of consumer risk aversion or risk preference, but few gauge the root personality traits underlying these preference. This paper examines the relationship of root personality traits to consumer risk preferences. Traits such as impulsiveness, venturesomeness, and anxiety have been related to a number of risk-taking behaviors. While most psychological research has focused on antisocial risk-taking behaviors (e.g., substance abuse), it is suggested that prosocial risk-taking behaviors--such as the early adoption of discontinuous new consumer goods, or aggressive investing in consumer financial instruments--are driven by these same personality traits. In the present study, a self-report investor risk assessment instrument was administered as part of a battery of standard personality self-report measures. Differences in consumer risk perception vs. personality traits by factors such as gender, graduate vs. undergraduate student standing, college major (business vs. non-business), and geographic location (California vs. Louisiana) are reported.

To read this entire paper on personality traits and risk, visit our Web site at <http://www.sbaer.uca.edu/Research/2001/WDSI/pdf/papers/pt2/066.pdf>

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## **Tip Of the Week**

**"Risk Management Strategies"**

Identifying risk and ways of managing it is important to entrepreneurs, as it is the first step to saving money. Handling risk involves a combination of four types of risk strategies: risk avoidance, risk reduction, risk anticipation, and risk transferring.

- *Risk avoidance* is the practice of shunning risky situations. Many people who would like to be self-employed do not start a business to avoid the risk of loss. Leasing rather than owning is a way to avoid ownership risk. Using the corporate form of ownership is a way to avoid unlimited liability.
- *Risk reduction* is the practice of taking measure to minimize loss. Smoke detectors and sprinkler systems help reduce fire damages without avoiding the fire. Safety programs are designed to prevent accidents. Running a credit check helps reduce bad debt expenses.
- *Risk anticipation* or self-insurance is the practice of putting money aside to cover losses that might occur. The loss may not occur, but if it does money is available to help defer it. Self-insurance is more common among large businesses than small ones, but a growing number of small businesses are joining together to self-insure.
- *Risk transfer or risk spreading* is the practice of using insurance to cover losses. The best form of protection against many risks is the proper insurance. A relatively small amount of money is required to insure against great loss. During a specified time period, the insured business pays a premium to an insurance carrier in return for a promise to receive a certain amount of money in the event of loss as specified in the insurance policy contract. Transfer of risk is the most commonly used strategy by small business. Therefore, it will be given greater coverage in the next section. Some of the more current risk management areas include dishonest employees, financial risk, and political risk.

"Entrepreneurial New Ventures," Corman, Joel, and Lussier, Robert, N., Dame--a division of Thomas Learning, 2001, page 12-6.

## Call For Papers

### Academy of Business Disciplines

The Academy of Business Disciplines will hold its annual meeting in Ft. Myers Beach, Florida, on November 8-10, 2001. We invite you to participate by submitting an abstract, proposal, or paper for presentation at the annual meeting. The ABD will include your paper or abstract in its proceedings (which is not copyrighted) that will be sent to participants after the meeting. Participants may, if they wish, have their papers considered for publication in the academy's refereed **Journal of Business Disciplines**. The following is a list of the track sessions:

- Accounting
- Management
- Systems
- Entrepreneurship
- Marketing
- Finance
- E-Commerce
- Not-for-Profit
- Special Topic Panels
- Economics

- Teaching/Pedagogy
- Administrative Issues
- Global/Small Business

Submission deadline for papers: **June 15, 2001**

For more details on the this conference, visit <http://www.sbaer.uca.edu/Docs/Bulletins/abd2001.htm>

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## Call For Papers

### Decision Sciences Institute

The 6th Annual Meeting of the Asia Pacific Region of the Decision Sciences Institute will be held at the Orchard Hotel in Singapore on July 18-21, 2001. The 21st century is the age of the Internet. With broadband connectivity between all nations, organizations and individuals, the world will not be the same again. The way we live, work and play will be different. Decision making by leaders, managers and professionals will require new perspectives, taking into considerations more views and aspects. They will have to look not only at economic results but a host of other social, political and cultural dimensions. This conference will gather together academics and practitioners who will review these new perspectives and provide a deeper insight into how the Internet affects all aspects of decision making - at the national, societal, organizational and individual levels.

Submission Deadline: **May 15, 2001**

For further information on this conference, visit <http://misnt.calpoly.edu/apdsi>

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## Call For Papers

### 8th Annual International Conference Promoting Business Ethics

This conference will be held in Chicago, Illinois, on October 24-26, 2001, and is sponsored by the Institute for Business and Professional Ethics, DePaul University. Papers and presentations on theory (from all levels) and practical dimensions of business and professional ethics are invited. Though primarily involving academics, business professionals are encouraged to present also. A special issue of the Journal of Business Ethics will be comprised of selected papers from this conference. Also, DePaul University will be sponsoring a Dean's Award which will be presented for the best paper at the conference.

Submission Deadline: **May 31, 2001**

For further information on this conference, visit  
<http://www.sbaer.uca.edu/Docs/Bulletins/icpbe2001.htm>

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## Announcement

### The Experienced Entrepreneur

Author Rick Paul has published The Experienced Entrepreneur, which is a 154-page Entrepreneurship, Marketing and Business Planning workbook that he conceived while working as a Business Analyst for the Small Business Administration (SBA). The book is an excellent choice for use in the booming educational markets for Entrepreneurship, Marketing Planning, Business Planning, Small Business Management, and Family Business classes. For further information regarding this book, please visit <http://www.busplanbook.com>

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- If you have any comments about the SBANC newsletter or if you know of any upcoming small business event to promote, please contact Richard Armstrong at [rea7401@cub.uca.edu](mailto:rea7401@cub.uca.edu)

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- - SBANC Newsletter is provided as a service to the **Association for Small Business and Entrepreneurs (ASBE)** members and the **International Council for Small Business (ICSB)** members.
  - If interested in becoming a member of ASBE, contact Corbett Gaulden, Jr., at [mb274.gaulden\\_c@utpb.edu](mailto:mb274.gaulden_c@utpb.edu)
  - If interested in becoming a member of ICSB, visit <http://www.icsb.org/about/join.htm>
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