



Marketing Monthly

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This month's
Aggie picture ...



Congratulations to Allan Chen and Kelly Haws for receiving **Whoop!!** TAMU System Teaching Excellent Awards!

What a fitting honor and tribute to Jeff who was a legend as an outstanding teacher and a champion of excellence in teaching at Texas A&M. All three tenure-track faculty members that he hired (these and Karen Winterich) are recipients of the TAMU System Teaching Excellence awards during the very first year the award was instituted.

Venky at JM

Venky Shankar has joined the editorial review board for *Journal of Marketing*. Congrats, Venky!!!

Besides JM, he serves on the boards of *Journal of Marketing Research*, *Marketing Science*, *International Journal of Research in Marketing*, *Journal of Retailing*, and the *Journal of Academy of Marketing Science*."



Kelly Haws in JMR

"An Assessment of Chronic Regulatory Focus Measures" by Kelly Haws has been accepted at the *Journal of Marketing Research*. Congrats, Kelly!!!

Abstract

Prior consumer research has demonstrated the ability of promotion and prevention regulatory orientations to moderate a variety of consumer and marketing phenomena, but has used several different methods to measure chronic regulatory focus. This paper assesses five different chronic regulatory focus measures using criteria of theoretical coverage, internal consistency, homogeneity, stability, and predictive ability. The results reveal a lack of convergence among the measures and variation in their performance along these criteria. Specific guidance for choosing a particular measure in regulatory focus research is provided.

The "Jeffrey S. Conant Memorial Scholarship in Marketing" is underway

The goal is to endow the scholarship at the \$25,000 level. For more information, contact the Development Relations Coordinator, Janet Barrett, jbrown@mays.tamu.edu

Manjit in *Journal of Marketing*

“The Decline of Conceptual Articles and Implications for Knowledge Development” by Manjit S. Yadav has been accepted at the *Journal of Marketing*. Congrats Manjit!!!

Abstract

This paper presents a framework for understanding and revitalizing the important role that conceptual articles play in the development of knowledge in the marketing discipline. An analysis of thirty years (1978-2007) of publishing data from major marketing journals indicates that conceptual articles are declining, despite repeated calls for more emphasis on this form of scholarship. The sharpest decline has occurred in the *Journal of Marketing* (JM), with much of the shift occurring over the past decade. Many substantive areas remain largely unexplored in conceptual articles. Over this thirty-year period, conceptual articles published in JM had disproportionately more citations relative to their numbers, attesting to the importance of their role in knowledge development. Addressing the decline of conceptual articles, and restoring their synergistic balance with other forms of scholarship, will require concerted efforts on several interrelated fronts: current generation of scholars; doctoral programs and students; journals, reviewers, and review process; and promotion, tenure, and incentive systems.

Sanjay in *Management Science*

“Reference Groups and Product Line Decisions: An Experimental Investigation of Limited Editions and Product Proliferation” by Sanjay Jain has been accepted at *Management Science*. Congrats Sanjay!!!

Abstract

Some luxury goods manufacturers offer limited editions of their products while some others market multiple product lines. Researchers have found that reference groups shape consumer evaluations of these product categories. Yet little empirical research has examined how reference groups affect the product line decisions of firms. Indeed, in a field setting it is quite a challenge to isolate reference group effects from contextual effects and correlated effects. In this paper we propose a parsimonious model that allows us to study how reference groups influence firm behavior and that lends itself to experimental analysis. With the aid of the model, we investigate the behavior of consumers in a laboratory setting where we can focus on the reference group effects after controlling for the contextual and correlated effects. The experimental results show that in the presence of strong reference group effects, limited editions and multiple products can help improve firm's profits. Furthermore, the trends in the purchase decisions of our participants point to the possibility that they are capable of introspecting close to two steps of thinking at the outset of the game and then learning through reinforcement mechanisms.

Len Travels to Singapore

Len Berry spoke at the ISES Inaugural Global Conference on Service Excellence at Singapore Management University. Three hundred executives from all over Asia attended the conference, including Mr. S. Iswaran, who is the Senior Minister of State, Ministry of Trade and Industry, and Ministry of Education. Also in attendance were Jonathan Larsen, the Country Head and Citi Country Officer for Singapore, and the CEO of Citibank Singapore Ltd.

Len also participated in a panel discussion moderated by Melissa Hyak, co-anchor of Primetime News, which is Channel NewsAsia's flagship news program. Channel NewsAsia recorded Dr. Berry's speech and the panel discussion.

Upcoming
Events



Departmental Faculty Meeting August 26, Wednesday

More information will be coming.

News about our students...



Marketing Student Chosen for PPIP Internship in Washington, DC

The Texas A&M University Public Policy Internship Program (PIIP) was created in response to society's increasing interest and participation in public policy issues and programs. Integrated academic, research, and policy-related programs offer high achieving students the opportunity to do substantial full-time internships in our state and nation's capitols for course credit. Students engage in internships in a setting that matches their academic goals.

MacKenzie Garfield, a junior marketing major from Dallas, Texas, will be spending the summer at Justice and Sustainability Associates, LLC in Washington, DC. After participating in the MKTG Study Abroad trip last summer, MacKenzie served as an editorial intern for TOMS Shoes in Santa Monica, California, last fall. She continues to work for TOMS as their campus representative while also working at The Office of the General Counsel. She is currently on schedule to graduate in December 2009 with an additional minor in English. After graduation, she plans to go to law school.

MS-Marketing Students Awarded 2nd Place

In Steve McDaniel's Spring 2009 MKTG 660 Marketing Consulting class, one student team received 2nd place in a national competition. In a project sponsored by Nissan, the team of five MS-Marketing students – Abianne Miller, Vik Sarede, Katie Schoeppey, Alaina Spaniol, and Christine Vander Ploeg - planned and executed a local promotion event to coincide with the national launch of the Nissan Cube automobile. As one of the two finalists (from 10 teams nationwide) the students were flown to Nashville where they made their presentation to a roomful of Nissan marketing executives. (The winning team was from the University of Pittsburgh.) This brief video clip from Nissan shows our students at the final competition in Nashville.

http://current.com/items/90287932_nissan-cube-collegiate-challenge-part-6.htm



We want to include your activities and news in the next issue of the *Marketing Monthly*. Please submit them to ksmith@mays.tamu.edu

Marketing Study Abroad 2009

73 Students Learn About Business in Europe

From May 14 to June 9 Steve McDaniel and Kathy Smith (accompanied by their spouses, Nancy and Murphy) led our department's Marketing Study Abroad trip to Europe. This was the 29th consecutive year our department has sponsored this program, which makes it the longest continuously running, as well as the largest,



study abroad program at A&M. During the 25-day trip, the students had 16 professional appointments in five countries – UK, France, Austria, Germany, and Switzerland, in addition to spending some time in three other countries (Monaco, Italy and Liechtenstein). Highlights of the trip included factory tours of Parfumerie Fragonard (France), Audi (Germany), and Haller Textiles (Austria), presentations and tours at the corporate or European headquarters of Swarovski (Austria), Bloomberg (UK), and Apple (France), and presentations at two of largest upscale department stores in Europe – Harrods (London) and Galeries Lafayette (Paris).

Student comments

“This trip is something that has changed my outlook on life permanently, has better prepared me for the world.” – Jesse Echeverria

“I learned more about the world on this 26 day trip than I have my entire life...I got to experience new cultures, participate in extreme sports, and meet truly special people.” – Janelle Colborne

“I can honestly say that I do not think I will ever take another trip for the rest of my life that will compare to this experience. The sights I saw, the knowledge I gained, and the friends I came back home with are some of the most treasured things that I will keep in my heart forever.” –Leslie Warren



Study Abroad website: <http://tamu.edu/mktgstudyabroad>

Cheryl Bridges attends Customer Relationship Management Conference

Cheryl Bridges, Director of the Center for Retailing Studies, represented the Center at the annual Customer Relationship Management Conference in Chicago, June 10 through 12. Over 300 attendees from across the country attended. Expert keynote speakers and round table discussions were the primary format of the conference. Senior level executives from many of the Center for Retailing Studies sponsor companies including Macy's, Bridgestone Retail Operations, Kohl's, Maritz inc., OfficeMax, Payless ShoeSource, Sears Holdings, Stage Stores, Target, and Walgreen's participated.

Some key messages from the conference:

Erica Thompson, VP Pet Smart: "A bad economy forces one to focus on what's critical."

Dr. Andrew Razeghi, Kellogg School of Management, Northwestern University, presented "Innovating Through a Recession."

His principles for innovation and creativity:

1. Listen to the market
2. Invest in customers
3. Do not go "dark." Increase your marketing efforts to gain market share
4. Keep innovations running full throttle but don't just innovate, solve problems.
5. Sell what you've got. Grow what you know.

Michael Lynch, director of Customer Loyalty for Lettuce Entertain You Enterprises makes sure all employees of their restaurant properties live by OCAAT. (One Customer At A Time.)

Interactive marketing is growing at a rapid rate. Many of the companies are investing in technology to maximize marketing efforts on Twitter, Facebook, Text Messaging, and Mobile advertising. Watch for cardless credit payment through mobile and video in text messaging.

Bryan Wesbury, Chief Economist with First Trust Advisory predicts that over the 12 to 24 months we will have a very strong economy.



Hollinger and Jacox attend New Student Conferences

Over 1,000 new freshmen will join the student body at Mays this fall. Kelli and Tyan have tried to meet many of them, and their parents. Since May, Kelli and Tyan have represented the CRS and the marketing department at six New Student Conferences. They promote the Center's certificate program, internships, scholarships and other resources to these eager students and their parents. Additionally, the pair distributes materials on career paths in marketing, the department's study abroad program, and how to reach a marketing advisor. The conferences let new students know they can become involved with the Center as a freshman by joining the Student Retailing Association. Students who begin a relationship with the Center early in their A&M careers often have the most rewarding experiences, such as multiple travel opportunities or acceptance as a Zale Scholar.



Bridges spoke at North America Retail Hardware Association

Cheryl Bridges spoke to over 100 independent hardware store owners from across the US and Canada about retailing industry trends at the annual hardware conference in San Antonio. The majority male audience listened to strategies to connect with their female customers, differences between demographics and psychographics, and other best practices. Each conference participant received a brochure on the Center, information about the Retailing Summit and copies of recent Retailing Issues Letters.

"On the Road Again" – Summer travel to corporate partners

Cheryl Bridges and **Kelli Hollinger** have logged almost 3,000 miles along the highways of Texas in recent weeks visiting corporate partners of the Center for Retailing Studies. In this economy, it is more important than ever to stay connected with those businesses that support CRS. Meetings included H-E-B in Houston and in San Antonio; Buxton and the CRS Advisory Board in Dallas; and, Freed Advertising and Gallery Furniture in Houston. Along the way they've added stops in Irving to explore sites for the 2010 Summit, finalize details for the 2009 event, and tour newly opened stores, such as the Gallery Furniture store at Post Oak Blvd.

We've been fortunate that some partners have come to us in Aggieland including Macy's and H-E-B. These campus meetings plan out the many touch points that make for an active semester of corporate involvement with CRS, including speaking in classes and at SRA meetings, attending the Retailing Career Fair and Retailing Summit, building relationships with advisors, utilizing the career center, engaging former interns, and scheduling special campus promotions.

We thank all the faculty who share their personal and class time to help CRS stay connected with its valued corporate partners.

Updates on the Retailing Summit, October 1-2, Dallas, TX

NEW PROGRAM! This is the first year in the conferences more than 20-year history that the Summit has been held in a retail location. To mark this occasion, Nordstrom will host a special pre-event networking reception in its Galleria Dallas store on Wednesday, September 30 for Summit participants. Join us!

HOTEL BLOCK FILLING! Please let Tyan Jacox know if you will attend the Retailing Summit. Our hotel block is near capacity for the evening of October 1, and we want to be sure all faculty who wish to participate can stay in the Westin Galleria Hotel. Please make reservations directly with the Westin by calling 972.934.9494. CRS will comp your registration, and you are welcome to ride the bus from College Station to Dallas with our students and staff. Please join us.

INFORMS Marketing Science Conference

Congratulations to Coleman Chair Venky Shankar on being invited to present his paper in a special session on “Marketing of Life Sciences” at the INFORMS Marketing Science Conference held at the University of Michigan in June 2009. The title of the paper that Venky presented is: “Global Market Segmentation: A Cross-National Empirical Analysis.”

Abstract

With the increasing globalization of business and the need for more efficient utilization of marketing resources, there is a growing interest in identifying actionable "global" segments. A global segment can be viewed as a market segment whose profile is consistent across different countries and which responds in the same manner to a global marketing mix strategy. Prior research on segmentation in the international context has primarily focused on approaches to identify clusters of homogenous countries. Furthermore, much previous research in the international context has examined segmentation based on heterogeneity in diffusion effects or consumer preferences, but not on differences in marketing mix effects. In this paper, we propose an approach that helps to identify both "global" segments and clusters of homogenous countries. Our approach is based on heterogeneity in both diffusion effects and response to marketing mix efforts. We apply this approach to a data set on two pharmaceutical product categories comprising several brands spanning several European countries, U.S.A. and Canada. We develop and estimate a latent class to identify the segments. Our results show that global segments exist and can be identified with our approach. These segments have actionable implications for both managers and policy makers that are different from those defined by clusters of homogenous countries. We discuss the implications of the results for business practice and for international business and regulatory policies of different governments.

Congratulations to Doctoral Student Jeff Meyer and Coleman Chair Venky Shankar on having their paper accepted for presentation at the INFORMS Marketing Science Conference held at the University of Michigan in June 2009. The title of the paper that Jeff presented is: “Optimal Hybrid Bundle Pricing Using Willingness-to-Pay Measures from Conjoint Analysis.”

Abstract

Firms are increasingly offering hybrid bundles, defined as products that combine and generate revenues from both good(s) and service(s). Hybrid bundles span both B2C and B2B industries. Anecdotal evidence suggests that choosing the right hybrid bundle to offer and determining its optimal price are critical to the success of the bundle. While pricing strategies for goods bundles have been extensively studied, those for services bundles have been explored much less. Hybrid bundles, which are fundamentally different from goods or services bundles, have received even less attention. Drawing from previous research on pricing and bundling for both goods and services, this research proposes an approach to derive optimal pricing strategies for hybrid bundles through the use of a conjoint analysis. We determine the willingness-to-pay for hybrid bundles that comprise a single good and one of several services through conjoint analysis experiment. By manipulating the services offered along with the nature of the services, we examine the effects of complementarity, independence, and service type on willingness-to-pay. We estimate an individual's willingness-to-pay using a hierarchical Bayesian choice-based conjoint analysis approach. Preliminary results show that complementarity and independence increase an individual's willingness-to-pay for a hybrid bundle. We use the estimates of willingness-to-pay to derive the optimal pricing policy for a monopolist through simulation. We examine the sensitivity of optimal prices to complementarity, independence, and heterogeneity in willingness-to-pay and derive implications for hybrid bundle pricing and the managerial decision on which hybrid bundle to offer.

INFORMS Marketing Science Conference, continued

Congratulations to Doctoral Student Gautham Gopal, Coleman Chair Venky Shankar, and Distinguished Professor and Ford Chair Rajan Varadarajan on having their paper accepted for presentation at the INFORMS Marketing Science Conference held at the University of Michigan in June 2009. The title of the paper that Gautham presented is: “Do Marketing Efforts or R&D Efforts Have a Greater Impact on the Top-Line Growth of Firms? An Empirical Investigation of Leading Large Manufacturing Firms.”

Abstract

The re-emergence of top-line growth as a major corporate priority, together with the challenges in achieving growth, has drawn renewed attention to the drivers of firm growth. While prior research sheds some valuable insights on firm growth, not much is known about two aspects of growth. First, researchers have focused mostly on the relationship between firm growth and industry dynamics. Consequently, the emphasis has been on industry level structural variables relative to firm level strategic variables. Second, prior research does not adequately account for the mode of firm growth (external growth, or growth through mergers or acquisitions versus organic growth, or growth through internal initiatives). This is particularly problematic in light of the prevailing view that external growth is an inferior mode of achieving sustainable long-term growth. We address these issues by examining the effects of two key under-researched strategic determinants of organic growth, R&D efforts and marketing efforts. In doing so, we explicitly account for firm characteristics such as external growth history, degree of diversification, top management turnover and industry characteristics. We develop survival and growth models using panel data. Using a dataset compiled from Fortune 500, COMPUSTAT, SDC and individual 10-K reports, we empirically test the hypothesized effects of R&D and marketing efforts on the growth of 180 leading manufacturing firms for the period 1991-2006. Preliminary analysis suggests that marketing efforts, external growth history and degree of diversification are key drivers of firm growth. However, there is insufficient evidence for the effect of R&D efforts on firm growth.

Congratulations to Doctoral Student Reo Song, Coleman Chair Venky Shankar, and Macy’s Professor Sanjay Jain on having their paper accepted for presentation at the INFORMS Marketing Science Conference. The title of the paper is: “Does the Sequence of Countries Matter in the International Rollout of New Products? Evidence from the Motion Picture Industry.”

Abstract

With the growing globalization of business, managerial interest in formulating a sound international market entry strategy is gaining prominence. Previous studies on international market entry have primarily examined issues such as order of entry, timing of international rollout, and time to takeoff in each market. However, very little is known about the important issue of the sequence of countries in which firms introduce new products. We address important research questions related to this issue in the context of the motion picture industry. Is the sequence of the international rollout the same for most products introduced from the same home country? If not, on what does it depend? What are the key determinants of international entry sequence? Does international entry sequence matter when it comes to worldwide performance? To answer these questions, first, we develop and estimate a system of two equations, in which country revenues and entry sequence are the dependent variables. Second, we estimate OLS regression models with weekly country revenues as the dependent variable using a unique dataset comprising leading Hollywood movies in about 20 countries during 2007-08. Our modeling framework investigates the roles of movie characteristics such as advertising and production budgets, user and critical reviews, star power, genre, release dates, and weekly box office revenues, and country-specific factors such as GDP, piracy rate, Internet penetration, and culture. Our preliminary results show that cultural and economic factors are significant determinants of the sequence of entry into international markets. We also find that learning from market outcomes in initial launch countries influences the subsequent sequence of entries in international markets. Importantly, the results show that international entry sequence does make a difference to the level of global performance.