

## University of Groningen

### Timing is Money

Gijsenberg, Maarten

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# the EMAC CHRONICLE

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to Ljubljana"

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THE DAY AFTER | INSPIRATION  
INNOVATION  
IMPLEMENTATION

EMAC  
EUROPEAN MARKETING ACADEMY

FACULTY OF  
ECONOMICS

The 6 Senses  
The Essentials  
of Marketing



39<sup>th</sup> EMAC Conference  
June 1-4, 2010  
Copenhagen

EMAC  
EUROPEAN MARKETING ACADEMY

Copenhagen  
Business School

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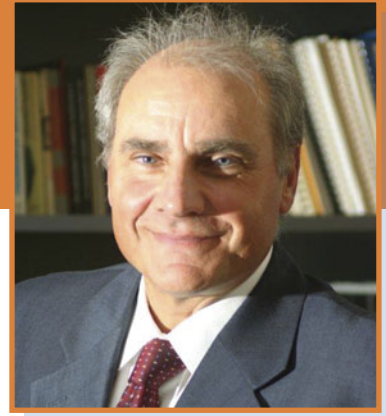
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# EDITORIAL

# EDITORIAL



This 8th Issue of the Chronicle is the first issue which is delivered to our members only online. The EMAC Steering Committee took this decision for two reasons: a) The results of both surveys (2008, 2010) clearly indicated that most of our members expressed a preference to receive the Chronicle online, and b) this approach leads to cost-savings needed in order to finance new initiatives such as the second EMAC journal entitled Journal of Marketing Behavior and to offer better services to our members.

However, the quality of its content and its informative character remain intact and, as such, the Chronicle still provides a variety of interesting topics, which I am sure you will find very interesting.

Following our election system, at the end of the Copenhagen Conference, Veronica Wong took over the presidency of EMAC for the next 2 years. As Past President, I wish her again good health, good luck and success in accomplishing her aims which are highlighted in her interesting note in which she classifies our members into three broad clusters/groups and examines the differences that exist among these groups with respect to their views and satisfaction with the services offered by EMAC.

In the "Thought Leaders" section this time Robin Wensley argues about the rather problematic relationship between research, teaching and practice in marketing. To prove his point, he focuses on three sub-fields of research in marketing, namely market structure and segmentation, market networks and inter-firm relationships, market orientation and the implementation of the marketing concept.

It becomes a tradition that in the October issue of the Chronicle, all the winners of the various awards, announced during the Annual Conference in May, provide interesting insights of their excellent research work. During the Copenhagen Conference 5 different awards were announced.

**Inaugural EMAC Distinguished Marketing Scholar Award:** The co-recipients of the inaugural award were Peter Leeflang and Berend Wierenga. In this issue, Gary Lilien, who chaired the selection committee, highlights the criteria for the award and the extraordinary careers of the awardees, while Peter Leeflang, one of the recipients, in his inspiring note, particularly for young researchers, provides a review of his extremely impressive research work over the last 35 years arguing that a combination of luck and skills can make an EMAC Distinguished Marketing Scholar.

**EMAC – McKinsey Marketing Dissertation Award:** Following last year's successful inaugural EMAC – McKinsey Marketing Dissertation awards, this year three more young researchers were the recipients of this distinguished award, and provide, for this issue, interesting insights of their excellent research work.

Steven Sweldens, whose dissertation entitled "Evaluative Conditioning 2.0: Direct Versus Indirect Transfer of Feelings to Brands" won the first prize, shows that the transfer of feelings to brands is not only indirect as it remains mediated by the brand-active stimulus memory association but it is also possible to transfer positive feelings directly to the brand without the requirement to form memory associations, between the brand and the affective stimulus.

Eva Blömeke, whose dissertation entitled "Should they Stay or Should they Go?: Reactivation and Termination of Low-Tier Customers" won the second prize, provides useful suggestions on how to effectively deal with the segment of low-tier customers.

Maarten Gijsenberg, whose dissertation entitled "Timing is Money: In Search of the Role of Timing in Marketing Decisions and Effectiveness" won the third prize, shows how firms can increase the returns on their marketing investments by a good understanding of the timing of these investments both at the macro-level of the effectiveness evaluation across the business cycle and at the micro-level of individual campaign decisions.

**Jan-Benedict Steenkamp Award for Long-Term Impact:** The article published by I. Geyskens JB Steenkamp, L.K. Scheer and N. Kumar entitled "The Effects of Trust and Independence on Relationship Commitment: A trans-Atlantic Study" won this award and in this issue the reasons for its selection and an abstract of this particular work are presented.

**IJRM Best Paper Award (2009):** The winning article entitled "Demand-Driven Scheduling of Movies in a Multiplex" was written by Jehoshua Eliashberg, Quintus Hegie, Jason Ho, Dennis Huisman, Steven J. Miller, Sanjeev Swami, Charles B. Weinberg and Berend Wierenga, and, in this issue, the authors outline the model that they developed which not only makes movie scheduling easier and less time consuming, but also generates schedules that attract more visitors than current "intuition based" schedules.

**Best Conference Paper Award based on a Doctoral Dissertation:** Andre Bielecki was the winner of this award and in an essay written for this issue entitled "An individual level decomposition of salesperson performance using a three component model" presents his model in which Data Envelopment Analysis (DEA) is successfully applied for salesperson benchmarking.

With so many awards, excellent papers and special sessions and almost 800 participants from the five continents, the 39th EMAC Conference in Copenhagen was a tremendous success and more details about this exciting event are presented in Suzanne Beckmann's report. An integral part of our annual conference is the Doctoral Colloquium (DC) and Tammo Bijmolt in his report highlights how the 23rd DC in Copenhagen achieved its objectives and encourages PhD students to submit their work to the forthcoming DC in Ljubljana – Slovenia where the 40th EMAC conference will take place.

Indeed, Maja Makovec Brenčič is looking very much forward to welcome all of us in Ljubljana in 2011 to debate about current world, social and economic changes in which marketing can play a major role in reshaping the (post crisis) and recession turbulence. "The Day After – Inspiration, Innovation, Implementation" is the theme of the conference and don't forget that the deadline for paper submission is approaching fast (1st December).

A new EMAC initiative is the Marketing Department Heads Forum and in this issue Udo Wagner and myself report on what we have done so far and what needs to be done in the future.

Given the fact that the EMAC Chronicle provides a forum for our members to present the developments that take place in the field of marketing in their respective countries, the National Representatives in the Executive Committee are encouraged to submit a country tale or report to the Chronicle. In this issue, John Fahy, National Representative of Ireland, and Galjina Ognjanov, National Representative of Serbia, provide a very interesting historical perspective of the development of marketing scholarship in their respective countries.

Finally, in this issue news from EMAC fellows are reported from the new Dean, Gilles Laurent, while in the ELASM section the Secretary General, Gerry Van Dyck, informs us that the Institute is designing a series of activities to develop further the doctoral education in Europe.

Let me complete this note by thanking all the contributors of this issue and wishing you a healthy, productive and successful new academic year 2010–2011 and an enjoyable reading.

**George J. Avlonitis**

*EMAC Past President, Editor*



# Note from EMAC President



*Veronica Wong*  
EMAC President

## One size will not fit all! Insights into differences in Members views and satisfaction with EMAC Services

Welcome to the October 2010 issue of the EMAC Chronicle!

The May 2010 issue of the Chronicle published a summary of the key findings of the recent 2010 EMAC Membership Survey (the full report is available – [place link here](#)). Of the 246 respondents who returned completed questionnaires, 184 provided demographic data which were subsequently used in undertaking a cluster analysis based on respondents' gender, age, rank, country of residence and time of joining EMAC. The analysis suggests the existence of three broad groups of members. Here, I will highlight key differences in the responses reflected by these three member-segments. Their profiles are as follows:

**Cluster 1** (N = 45; 24.5% of total respondents) is a group of junior researchers (JRs), being mainly PhD candidates (66.7%) and aged 30 or less (97.8%). They also are mainly males (62.2%), European residents (95.6%) and all joined EMAC in the last 10 years.

**Cluster 2** (N = 61; 33.2%) represents early-career researchers (ECRs) and slightly older members, aged between 30 and 40 (91.8%). Over half are males (55.7%), predominantly European residents (90.2%), and hold the rank of Assistant Professor (47.5%). All joined EMAC in the last 10 years.

**Cluster 3** (N = 78; 42.4%) represents primarily senior-researchers (SRs) with the rank of Professor (62%), and are mainly European residents (76.9%), males (66.7%), aged more than 50 (50.0%), who joined EMAC between 1991 and 2000 (43.6%).

### *Reasons for Joining and General Views about EMAC*

As shown in Table 1(1), the clusters primarily differ in two reasons for joining EMAC, with networking opportunity/job contacts and career development being more attractive to JRs than to ECRs and SRs.

JRs also more strongly agree that EMAC membership is a vehicle for enhancing their academic profile than do the ECRs and SRs, as shown in Table 2(2).

Considering the importance of EMAC services (conference, journal, other publications, web presence, networking), all three clusters share the view that the annual conference represents the most important service among all the EMAC services delivered. However, JRs consider it to be of higher importance than do ECRs and SRs, (on a scale where 1 = low importance and 7 = high importance, mean JRs = 6.49, s.d. = .727; mean ECRs = 6.41, s.d. = .716; mean SRs = 6.12, s.d. .917;  $p < 0.05$ ).

### *EMAC Conferences*

There are no significant differences in the satisfaction ratings across clusters in relation to the EMAC conference attributes, such as optimal duration, period in the year when it takes place, rotation of host countries/cities, session quality, diversity of session topics, reviewing process, networking opportunities, and value-for-money. However, clusters vary in the satisfaction level with two attributes, namely fruitful academic debate (where 1 = low satisfaction and 7 = high satisfaction, mean JRs = 5.37, s.d. = 1.07; mean ECRs = 4.82, s.d. = 1.29; mean SRs = 4.84, s.d. = 1.28;  $p < 0.05$ ) and social events (mean JRs = 5.33, s.d. = 1.28; mean ECRs = 4.77, s.d. = 1.54; mean SRs = 5.42, s.d. = 1.35;  $p < 0.05$ ), with JRs expressing highest satisfaction with the former attribute, and ECRs reflecting lowest satisfaction with the latter. Moreover, JRs agree more strongly that EMAC conference 'produces new knowledge for marketing discipline' than do ECRs and SRs (mean JRs = 5.28, s.d. = 1.01; mean ECRs = 4.67, s.d. = 1.48; mean SRs = 4.68, s.d. = 1.42;  $p < 0.05$ ).

### *IJRM*

Interestingly, the three clusters do not differ in their readership behavior (e.g., read the whole issue of IJRM or specific articles of interest, go through a quick scanning to have an overall impression of the topics covered, recommend specific articles to colleagues, use it frequently as a reference in their research work). The clusters also do not vary significantly in their generally positive perception that the IJRM has highly qualified reviewers, a good overall reputation, and high impact on career development, and that the review process is constructive (mean values range from 4.53 to 5.88, where 1 = low importance and 7 = high importance).

However, JRs are more likely to agree that they consider IJRM as the first choice to submit their best work (mean JRs = 3.95, s.d. = 1.74; mean ECRs = 3.29, s.d. = 1.74; mean SRs = 2.88, s.d. = 1.69;  $p < 0.01$ ). Moreover, opinions about the published work in IJRM between clusters vary significantly. Generally, ECRs in cluster 2 and SRs in cluster 3 seem to be

more critical than JRs in cluster 1, in showing lower levels of agreement with particular attributes of the content of IJRM, as shown in Table 3(3).

### *Other Publications and Resources*

With regard to the EMAC Chronicle and Newsletter, no significant differences are found across clusters in their overall satisfaction with the attributes evaluated (e.g., structure, layout, material/content, general informative character as well as that covering European academic issues, and openness to members' articles). Mean scores reported for clusters are generally positive, ranging between 4.1 and 5.6 (where 1 = low satisfaction; 7 = high satisfaction). However, JRs are more satisfied than ECRs and SRs with the educational character of both the Chronicle (mean JRs = 4.77, s.d. = 1.59; mean ECRs = 3.59, s.d. 1.35; mean SRs = 3.48, s.d. = 1.37;  $p < 0.05$ ) and the Newsletter (mean JRs = 4.52, s.d. = 1.47; mean ECRs = 3.71, s.d. = 1.51; mean SRs = 3.43, s.d. = 1.45;  $p < 0.05$ ).

We did not find any significant differences across the three clusters in relation to the opinions about the EMAC website and satisfaction with the Academic Resource Portal.

### *General Satisfaction with EMAC*

The clusters do not vary significantly in their scores, with members indicating moderately high levels of overall satisfaction (mean JRs = 5.49, s.d. = 1.00; mean ECRs = 5.32, s.d. = 1.13; mean SRs = 5.55, s.d. = .88) and likelihood of renewing (mean JRs = 5.48, s.d. = 1.42; mean ECRs = 5.57, s.d. = 1.56; mean SRs = 5.88, s.d. = 1.77) and recommending EMAC membership (mean JRs = 5.37, s.d. = 1.22; mean ECRs = 5.08, s.d. = 1.74; mean SRs = 5.56, s.d. = 1.56). Although the general satisfaction scores are not significant across clusters, the SRs consistently reflect higher levels of satisfaction with EMAC and inclination to renew and recommend membership. This does not seem surprising given that this cluster comprises older (and, in some sense, loyal) members who have joined EMAC between 1991 and 2000 and have remained a member in 2010.

The findings offer some preliminary insights into the segmented nature of the EMAC membership. Junior Researchers are by far the 'youngest' and most concerned about their academic development and future career progression. It is not surprising for JRs to place greater importance on opportunities to establish academic networks through joining EMAC, which are beneficial to their early career progression. Moreover, their more positive response to the role of the conferences in providing fruitful academic debate and access to new knowledge for the discipline, are consistent with their career development and progression needs. Curiously, Senior Researchers appear most satisfied with the conference 'social events' while, Early Career academics seem least satisfied with these. Further exploration of the potential sources of discontent between clusters would be instructive.

Unlike the JRs, ECRs and SRs appear to be a 'more critical' constituent where the IJRM is concerned. While both groups attach importance to the journal, their expectations and desired satisfiers may differ, possibly due to personal/professional experience and varying circumstances defined by their respective stages of career advancement and achievement.

The current analysis and its findings should not be viewed as confirmatory. Rather, such questions as are raised by this analysis warrant attention: To what extent is the EMAC membership segmented? If discernible segments exist, what are their distinctive needs, wants and expectations? How should/might we cost-effectively respond and serve varying segment needs and to satisfy their requirements? Who are our target segments? How do we ensure that we continue to do a great and better job satisfying the needs and expectations of our key members?

Where these issues are concerned, I endeavor to probe deeper and further during my term as EMAC President. This is not inconsistent with the opportunity for EMAC to consider and identify new ways to add value for a growing and evolving membership. But, in the first instance, we need to gain a deeper understanding of that membership. More, I hope I can count on you to uncover the solutions that matter to you. Please feel free to share with me your views, ideas, suggestions. (simply contact me at: [v.wong@sussex.ac.uk](mailto:v.wong@sussex.ac.uk)). Last but not least, I am fortunate in being guided by the EMAC Fellows and in having the opportunity to work with a wonderful Steering and Executive Team. Together, let's do it!

(1) **Table 1 Cluster differences:** Members' reasons for joining EMAC  
(1 = totally disagree; 7 = totally agree)

	Cluster 1 JRs		Cluster 2 ECRs		Cluster 3 SRs		Sig.
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	
Participation in an official international marketing association	5.36	1.598	5.54	1.608	5.34	1.774	p>0.05
Networking opportunity / job contacts	5.60	1.321	5.10	1.469	4.69	1.794	p<0.05
Information about specific academic fields	5.02	1.323	5.13	1.857	4.87	1.692	p>0.05
Participation in the annual conferences	6.18	1.114	5.79	1.507	6.07	1.100	p>0.05
Career development	5.47	1.325	4.52	1.709	3.59	1.653	p<0.01
Prestige of EMAC	5.20	1.307	4.80	1.730	4.45	1.848	p>0.05

(2) **Table 2 Cluster differences:** Members' agreement with key attributes regarding EMAC  
(1 = totally disagree; 7 = totally agree)

	Cluster 1 JRs		Cluster 2 ECRs		Cluster 3 SRs		Sig.
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	
It is one of the premier international academic associations worldwide	5.39	1.205	5.48	1.386	5.44	1.282	p>0.05
It is an academic association well-known to the marketing academia in my country of residence	6.09	1.117	6.18	1.218	5.79	1.177	p>0.05
<b>Membership in EMAC enhances my academic profile</b>	<b>5.25</b>	<b>1.366</b>	<b>5.00</b>	<b>1.329</b>	<b>4.42</b>	<b>1.542</b>	<b>p&lt;0.01</b>
It enhances the integrity of marketing discipline in Europe	5.55	1.130	5.75	1.174	5.40	1.313	p>0.05
It can be regarded as an "extrovert" association, open to all academics in the marketing field	5.27	1.086	5.39	1.357	5.55	1.262	p>0.05
It provides unique services to its members	4.30	1.503	4.07	1.569	4.00	1.442	p>0.05

(3) **Table 3 Cluster differences:** Member' agreement with the published work in IJRM  
(1 = totally disagree; 7 = totally agree)

	Cluster 1 JRs		Cluster 2 ECRs		Cluster 3 SRs		Sig.
	Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.	
The quality of the published papers is consistently high	5.37	1.273	5.29	1.338	5.51	1.088	p>0.05
The published papers in the IJRM reflect the diversity of European marketing research	4.95	1.194	4.50	1.466	4.12	1.881	p<0.05
European-based research in marketing is mostly represented in the IJRM	4.64	1.246	4.21	1.411	3.71	1.566	p<0.01
The published papers in the IJRM reflect a balance between qualitative and quantitative marketing research methods	3.76	1.376	3.61	1.424	3.31	1.594	p>0.05
The published papers in the IJRM are more focused on quantitative / econometric modeling	5.38	1.268	5.53	1.377	5.55	1.240	p>0.05
The published papers in the IJRM are more focused on qualitative marketing research methods	3.28	1.386	2.60	1.387	2.26	1.171	p<0.01
The published papers in the IJRM address issues that are of current concern to business practice	4.60	1.050	4.42	1.287	3.96	1.475	p<0.05
The published papers in the IJRM are relevant to managers	4.45	1.214	3.78	1.487	3.57	1.553	p<0.01
The published papers in the IJRM provide insight into the practice of marketing	5.37	1.273	5.29	1.338	5.51	1.088	p<0.01

# "Thought Leaders": Where is Marketing Now? The Research - Practice Divide

Fifteen years ago I published a selective review of the state of marketing research in three major subfields, all of which provided opportunities at least in principle to link empirical research with prescriptions for management practice. This article is a rather idiosyncratic attempt to update and review what has happened since then as well as consider some of the broader research issues that have continued to arise in the field of marketing and in some case the wider field of management.

The three sub-fields that I considered in my previous article were market structure and segmentation, market networks and inter-firm relationships, and market orientation and the implementation of the marketing concept. In none of these fields could we argue that the issues raised previously have been fully resolved and in this sense the topic is still of interest but at the same time new approaches have had a significant impact. These include both the issue of a new integrating framework around the notion of services rather than products as the basis for all marketing transactions and the continued expansion of marketing into new domains such as social marketing.

Finally, there remain a set of wider issues which continue to influence the way in which the empirical study of marketing develops. Of these perhaps the most important is the continued rather problematic relationship between research, teaching and practice in marketing. Also closer to "home" there has been the continued impact on many of us through a number of different but also somewhat similar national attempts to apply and reinforce what might be termed a performance management framework on the nature of academic endeavour.

Since these national attempts have some similarities but also some differences I will focus attention on the UK although I would certainly be very hesitant to suggest that it is an appropriate template for other national contexts. Three general issues tend to dominate both discussions about as well as actual research activity in the UK: the nature of the forthcoming Research Excellence Framework (REF), the related (but only somewhat) issue of the impact on management practice and finally the nature and context of much of the research undertaken.

## Three sub-fields of research in marketing

### Market structure and segmentation

More recently there has been some more attention has been paid to issues of market "making" rather than market responding but in a number of ways this shift in perspective however valid from a marketing practice point-of-view brings with it further methodological and analytical issues when it comes to empirical research.

In particular if we wish to understand what might be termed the "revealed" micro-structure of the marketplace we need to make certain key assumptions about stationarity (at least over a particular time-period), responsiveness of purchasers (both individually and collectively) and the intention or assumed outcome of competitive behaviour. Some landmark studies such as Leefland and Wittick have provided evidence on what is termed "reaction bias" in competitive behaviour but this might suggest that the empirical data we are currently working with is more about competitive behaviour than consumer behaviour. Despite their impressive attempts to interpret what is inevitably a natural experiment which incorporates an interactive mix of actions and reactions amongst both consumers and competitors, it remains difficult to untangle the various elements in any particular interpretation. Hence it proves even more difficult to demonstrate unambiguously that there is significant "action bias" compared with simpler and more elegant natural experiments such as those involving penalty kickers and goal-keepers.

To unravel these effects in terms of the micro-structure of the market along with the longer term impact of both marketing actions and competitive responses we have needed to use both newer statistical techniques and more robust time series data. Again key studies in this area continue to suggest that we have at least somewhat of a "fractal" problem in that attempts to drill down reveals even greater heterogeneity in patterns that from a more macro perspective initially appeared to be clearly defined and stable groupings..

In general such developments may lead us in some unexpected directions. For instance some have argued that the nature of competitive response is so indeterminate that it would be more sensible to estimate models without any competitive reaction at all (Shugan). However, the profusion of data in certain areas does mean that the more sophisticated time series forms of analysis will continue to be applied and developed. On the other hand it increasingly seems that many of the results are inevitably going to be highly context dependent. In the area of marketing practice this may help to explain why despite the increased volume of data and statistical tools, there has been a clear trend in market research activity towards gathering data more from sources such as focus groups and in analysis to a more qualitative if still systematic approach. This effect is of course exacerbated in managerial situations where either the

necessary level of data is not available or where questions to be considered are either about the nature of potential future changes in the market structure and/or broader more ill-defined groups of customers

### Market networks and inter-firm relationships

There has continued to be a stream of empirical research around the well established format of detailed analytical case studies which in general trace the specific contexts in which networks and inter-firm relationships have developed and evolved. In a number of cases it has also become clear that we need to include within the network not just other firms but also state and regulatory agencies and sometimes a wider group of stakeholders as well.

Also in a wider sense it has become clear that work in this marketing sub-field resonates with much wider debates about the inter-relationship between structure and agency, not only at an individual level but also at more aggregate levels in understanding the nature of human systems. At a methodological level it has raises important questions as to the extent to which emphasis is given to process of social construction or to underlying patterns more likely to be revealed within a critical realist approach.

It is also interesting to note that Mattsson and Johanson (2006) argue in their historical review that it was the much closer links between researchers and practice in the Scandinavian context, particularly in terms of access rather than just funding which facilitated the development of the "markets as networks" tradition of research.

### Market orientation and the implementation of the marketing concept

In many ways the research on market orientation and the implementation of the marketing concept has mainly tended to repeat and extend across wider contexts and more countries the by now established approach of using statistical techniques on data generated from cross-sectional surveys. There have been fewer attempts either to introduce time series data or to validate and triangulate what are often individual attitudinal questions with either other respondents or identifiable actions.

Meanwhile the focus on the marketing concept, either implicitly or explicitly has continued the divide between the marketing function in organisations and the so-called "marketing philosophy". It can hardly be a great surprise that the marketing function has less influence at the highest levels in commercial organisations when our research seems to suggest that all that is needed is senior executives who "think marketing" rather than a function which "does marketing". Of course this is not to imply that in some organisations key executives who are very influential through focussing on the customer requirements can do so without any formal marketing training or qualifications. If we are to find useful and usable results from our research in this area however we will need to adopt a more sophisticated research methodology which is more context sensitive in its descriptive elements and more robust in its analysis. I will return to some of these issues when I consider the broader general issue of the relationship between research and practice in marketing management.

Before doing so however I wish to pick on two more recent developments which in very different ways may shape developments in research, alongside the quantitative approaches we have already discussed based on both larger, more complex datasets and new forms of statistical analysis.

### The rise of service-dominant logic.

It is surely reasonable to argue that, as Marketing academics, we should pay particular attention to new approaches which have impact even if mainly on fellow academics and which also seem to resonate with the market for ideas. One such is clearly the "service dominant logic" perspective promulgated by Steve Vargo and Bob Lusch. They have attempted to provide a systematic framework within which one can shift the overall frame of reference from products to services in response to what they see as an inexorable trend in the overall nature of demand. In essence much of what they argue is not new: they readily admit for instance, that there are some strong echoes of Wroe Alderson, who indeed went somewhat further in arguing the need to re-language some of the ways of describing marketing transactions. However Vargo and Lusch do claim in true marketing style that the time is now right for the reformulation. They may well be correct - certainly some of our colleagues in operations management are talking a lot about the servitization of manu-





facturing ( but also to some extent the productisation of services as well!). It might also be true that we need to unpack more clearly the three key elements in marketing: the nature of the user benefits that are achieved, the customer perspective and the specifics of what is and what can be managed within this overall process

At its best it may well be that SDL can be converted into a effective killer app much as Ted Levitt did with his seminal article on "What Business are you in?" but it is important to remember that Levitt clearly recognised that it remained a question rather than an answer: the buggy whip manufacturers in Westfield Mass. may have got it wrong but the coach builders of Flint Michigan did not!

### Megamarketing mark 2: Social marketing

Throughout the last fifty years or so in modern marketing management, which we might nowadays reasonably date from the first edition of Kotler's seminal textbook, there has been an going debate about whether or not one should expand marketing forms of analysis and marketing management tools to wider contexts. One of the current examples would seem to be so-called social marketing which involves applying marketing approaches to a wide range of social issues from healthy living to the more effective promotion of various government schemes and initiatives.

Arguably there are a number of ways in which this extension of marketing tools and techniques can be seen as generating public value as well as the more common market based notion of market value but, as others have pointed out one person's social benefit can be another's propaganda. Indeed a number of us might be rather sceptical about extending the argument as far as John Quelch and Katherine Jocz (2008) did in their claim that Marketing had provided an impetus to make the USA political scene more democratic.

In Europe at least, we might be witnessing a rather more nuanced approach to the application of marketing principles and techniques to the creation of public value. It is certainly arguable that we do not have to adopt the ideological position of neo-liberalism to still see a useful role in extended marketing into various areas of social benefit. However in so doing we will need to recognise, as often previously, that our disciplinary colleagues in cognitive psychology (see Vlaev et al 2009) and behavioural economics (Blanchflower and Oswald 2004) have already made some advances in this area..

### Incentive Structures and Research Behaviour

To review our own research however we also need to look critically at the incentive structures within our own organisations. As UK academics we have particularly got used to operating in what we knew as the Research Assessment Exercise (RAE). On a generally 4-5 year cycle, research activity was evaluated for most Universities for almost all their academic departments. In general Marketing represented one of the most significant components of the broad "Business and Management" category. Although the details varied from round to round, the major emphasis was on outputs and there were normally further evaluations on "esteem" and "research culture". The original introduction of the RAE had as almost always in public policy a rather mixed and somewhat inconsistent rationale but since it's inception there has always been rather a disjunction between its direct economic effects, where to be honest the sums of money involved are rather small, and the supposedly reputational effects which have been seen to be quite large.

Most of these effects will stay the same as far as we can see with the new REF (Research Excellence Framework): at least 75% of the evaluation will still be based on a similar composite as the previous RAE, but the main difference is that up to 25% - the actual figure is still to be resolved and there is currently a rather robust debate taking place - will be based on a new construct - that of impact and particularly in an area such as marketing this is likely to be taken as impact on managerial practice. How far institutions will actually translate the impact imperative down to the level of individual incentives, as they clearly have often done in the case of the previous output criterion, remains a moot point. My guess for my academic colleagues is that the next REF will still be dominated by "quality" of output measures.

Which leads to the basic problem of the current system when it is treated as an incentive system. For young aspiring academics (and even some older ones!) quality of publications has always been an important measure of scholarly reputation. It also but rather imperfectly correlates with later citation rates which with the improved data capture and analysis on websites such as "publish or perish" have become easier to compare and contrast ( in some institutions it is said everyone knows their h-score!) In a rather ironic way we seem to be relearning a basic principle that there can be significant costs in what are termed tight controls and incentives. Ever since Peters and Waterman in their seminal book coined the term " simultaneous loose-tight linkages" we have recognised that in certain areas, particularly where we wish to encourage innovation and creativity, looser linkages or coupling may be more productive and effective.

On the question of impact we face a number of further problems in operationalising and measuring such a construct. Two recent but very different pieces of empirical work have particularly suggested that at best practice impact is often likely to be orthogonal if not negatively correlated with our measures of scholarly impact based on actual or proxy citation rates.

In an initial pilot study Barwise and Birkenshaw investigated the particular items of research which were referred to in both journal articles and books explicitly targeted at management practitioners. They found that there was a strong bias towards those elements of research which focused on case histories, qualitative analysis and an inductive approach. However because such articles were so much in the minority in the population there was still an overall preponderance of statistical surveys, quantitative analysis and a deductive approach.

In the second and more substantial survey by Peter Verhoef et al presented to the last annual EMAC The focus, inter alia, was on the antecedents to the perceived influence of marketing and the level of top management respect. The results suggested that on a wide basis, accountability had a positive effect on top management respect whilst innovativeness and customer contact also positively related with perceived influence. There is however, a rather perverse result in their analysis: if accountability is so important then we might expect that the degree of integration with the key function concerned with accountability - finance- would also enhance the influence of marketing yet it appears to have the opposite effect.

Overall therefore we might wish to some key underlying questions about both measurement and practice. In the case of measurement the search for metrics whether direct or proxies may be somewhat misdirected. After all the survey was considering perceived influence and respect: establishing a more systematic measurement regime may not be the best route to achieving greater influence compared with sustaining a systematic evidence based yet context specific advocacy. Indeed we might learn from some of the research studies of management practice in other functional areas where we see for instance a balance between quantification and sensitivity to contexts and particularities ( see Ahrens and Chapman )

This challenge of interpretation is also to be found in the results of a very recent survey by the UK Chartered Institute of Marketing in association with Deloitte. They note, inter alia, that only a minority of respondents believe that their organisations business strategy is clearly translated into marketing objectives and that their proposed solution apparently lies in developing a solid link between business strategy and marketing. However, it would appear that the implied logic of this prescription: that "the translation of business strategy into marketing strategy impacts effectiveness" is one that has not been subjected to any direct empirical testing. The established literature on the nature of loose-tight linkages or coupling within and between organisations, particular in terms of the relationship between inward-facing and outward-facing activities suggests that such a bland assertion is unlikely to stand up to further scrutiny particularly when we wish to also encourage innovation and creativity.

So what seems to be happening specifically in the UK but also to some degree maybe from a wider European perspective is that the twin pressures to publish in top journals and also to have a wider and significant impact on policy and practice is leading to an incompatible incentive structure in two distinct ways.

First there is confusion between outliers and averages. An incentive structure primarily based on outlier performance runs the risk of demotivating those closer to the average and, of course, it would be foolish to assume that we can staff all our academic departments solely with outliers. There is of course a logic for some level of aspirational targets but the gap between these and the expected must not be too large!

Second, the individual criterion of academic citation (or even more doubtful rather limited proxies such as particular journals themselves) is unlikely to be correlated with practice impact measures. Given the nature of very different audiences this is particularly unlikely in the case of a single output but there maybe a somewhat better opportunity when considering the overall activities of a particular scholar over a reasonable time period. Here again however we encounter another inconsistency or even contradiction. Given the considerable amount of teaching at Business and Management Schools which involves audiences of practitioners, it is almost a certainty that many achieve much greater impact on practitioners through direct teaching rather than research output: yet it would appear that this route to impact is often ignored in any proposed measurement framework.

### What are we actually doing?

So how are we both individually and collectively as an academic community responding to these pressures? One source of information lies in the distribution of papers we submit to our own academic conferences. In an analysis of all the papers submitted to the UK Academy of Marketing 2010 conference, the categories that clearly dominated were Consumer Behaviour, Services Management and Marketing, Social and Not for Profit Marketing, E-marketing and Marketing Education, making up around 50% of the total of 29 categories. This compares with the top four larger tracks of accepted papers for EMAC accounting for overall 50% which were Consumer Behaviour, Advertising, Promotion and Marketing Communication, Product and Brand Management, and New Technologies and E-Marketing. There is perhaps a somewhat greater emphasis on services, social marketing and education in the UK case compared with Communications and Product/Brand management in the EMAC case.

Overall there are however perhaps more similarities than differen-



ces. One might well argue that in forums such as AM (UK) and EMAC, the portfolio of research papers probably covers a wider range of marketing topics than within the US where the distinction between AMA and ACR is very evident. Ironically in the US this can be traced back to the split which was initiated around the concern that the AMA agenda was too close to that of management practitioners and did not equally privilege the interest of consumers themselves, which might be seen as also raising some critical questions about our current concerns about practice impact.

Overall however, at a first pass this might imply that as with many activities which take place within a reasonably well defined institutional setting we see a clear pattern of both continuity and change new technologies both in terms of marketing itself and in research through both qualitative and quantitative analysis let alone data capture means that there are changes in the portfolio as well as the detail of what is reported on but at the same time much remains rather similar.

Two rather different pieces of academic commentary might be relevant here. The first is from the Chicago sociologist Andrew Abbott who with undoubted care entitled his two of his scholarly books: "The chaos of the disciplines" and "the system of professions" .. both books are worthy of careful reading but one central message is to be found in the two titles : there is a continual conflict going on in the "market" for ideas amongst different theories and forms of interpretation and explanation but at the same time there is an attempt to stabilise this through professional organisations and their outputs and activities.

This brings us to the role of the EMAC conference itself. It must surely be seen as a renewal ritual for the tribe that names itself European Marketing Academics. To try and understand what it is in purely utilitarian and functional terms is to miss the point. It is rather like trying to explain the business model for a new academic journal in a world in which IPR is unclear, core activities are provided on a pro bono basis and there

is payment at both ends of the process: in submitting work but also in reading the work of ones peers!

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**Robin Wensley**

The University of Warwick

## Leeflang and Wierenga Receive Inaugural EMAC Distinguished Marketing Scholar Award

Peter Leeflang of the University of Groningen and Berend Wierenga of Erasmus University in Rotterdam are the co-recipients of the Inaugural EMAC Distinguished Marketing Scholar Award. This annual award was given for the first time at the EMAC Annual Conference in Copenhagen, June 4, 2010. The award is the highest honor that a marketing educator who has had extensive connections with EMAC can receive.

The two main criteria for the award are (1) Outstanding marketing scholarship as reflected in extensive, impactful research contributions and (2) Outstanding contributions to the European Marketing Academy. Other criteria for the award are teaching and mentoring, general creativity and innovativeness and service to the marketing community and the public at large.

The selection committee, comprising Gary Lilien as Chair, Gilles Laurent and Don Lehmann, reviewed a number of very impressive cases and struggled to come up with THE Inaugural Awardee. To resolve this challenge, the committee chose, for this year and for this year only, to make the award to two extremely deserving scholars: in alphabetical order, Peter Leeflang and Berend Wierenga.

A few highlights of their extraordinary careers:

Peter Leeflang holds the Frank Bass Chair in Marketing at the University of Groningen. He received his PhD from Erasmus University in 1974. He has had a long, productive and impactful research career focused mainly in creative and innovative use of econometric models to study important marketing phenomena. He has had numerous publications in all the major journals including a remarkable 20 papers in IJRM, two of which won best paper awards, as well as 32 books, including his classic works on Marketing Models -Leeflang and Naert 1978 and Leeflang, Wittink, Wedel and Naert, 2000. His work has received numerous prizes, including the inaugural Steenkamp Award for the long term impact of a paper published in IJRM and the 2009 Harold M Maynard Award for the best paper in the Journal of Marketing. He has supervised a host of phd students including Harald van Heerde and Michel Wedel.

He was one of the founders of EMAC in 1973, was President in 1978-1979 and was VP for Meetings from 1980-1990. He has run the EMAC doctoral colloquium, has been on the IJRM editorial board since its founding and is an inaugural EMAC Fellow.

Berend Wierenga is Professor of Marketing and former dean of the Rotterdam School of Management at Erasmus University. He received his PhD, also in 1974, from Wageningen University. He has also had a long and distinguished research career, working first on building marketing decision models and, more recently on managerial decision making and decision support systems, where his group at Rotterdam has achieved world renown. He has produced numerous publications in all the top journals, including 8 in IJRM as well as 17 books including his 2000 book with Gerrit van Bruggen on Marketing Management Support Systems and most recently his edited Handbook of Marketing Decision Models. He has supervised many phd students, including Ale Smidts and Gerrit van Bruggen. Berend has received wide recognition for his impactful and innovative work and was honored by a research conference in Rotterdam on 15 July on the occasion of his retirement, where he received the Queen's medal in recognition of his extraordinary career.



His work with EMAC is equally impressive. He was the founding editor of IJRM, served as President of EMAC 1979-1980 (immediately following Peter Leeflang) and was VP Publications from 1991-1998. He Chaired two EMAC conferences, one in 1979 and the other in 2000. He received an award for Outstanding service to the EMAC community in 2001, was an inaugural EMAC Fellow and has served as Dean of the EMAC Fellows since that time.

The winners gave a special session at the EMAC conference on 4 June that many of you attended. In addition, they will each write a short article for a future issue of the Chronicle and are both invited to produce a scientific article for IJRM.

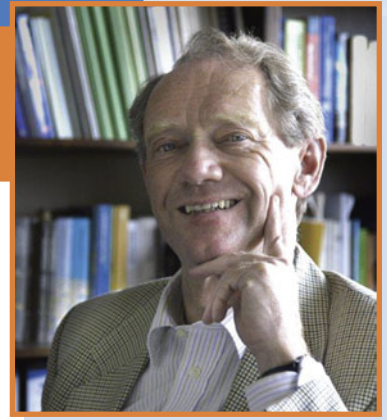
I know the entire EMAC community joins me in honoring and congratulating Peter and Berend!

**Gary L. Lilien**

Chair, EMAC Distinguished Marketing Scholar Award Committee  
EMAC Vice President, External Relations

## "Article from a Winner"

### How to Become the First Winner of the EMAC Distinguished Marketing Scholar Award: Some Suggestions



The editor of the EMAC Chronicle, Professor George Avlonitis, was kind enough to ask me to write a description of winning the EMAC Distinguished Marketing Scholar Award. This award, which I share with my good friend and dear colleague Bernd Wieringa, was initiated under George's tenure as President of EMAC.

In response, I began thinking about what makes an EMAC Distinguished Marketing Scholar, and I remembered a conversation between Charlie Brown and a friend, published in newspapers throughout the world:

Charlie Brown: "My grampa and gramma have been married for fifty years now."

Friend: "They're lucky, aren't they?"

Charlie Brown: "Grampa says it isn't luck ... it's skill."

With all due respect to Charlie Brown's grandfather, I believe that the answer to many challenges actually is a combination of luck and skills.

The basis for my skills came from studying econometrics. I also was lucky enough to undertake courses at Erasmus University in Rotterdam, taught by scholars such as Professors Jan Tinbergen, Henri Theil, Teun Kloek, Ton Barten, Bernard van Praag, Johan Koerts, and Pieter Verdoorn, just to name a few. The latter two professors became my supervisors. Verdoorn already had published work in *Journal of Marketing* (in 1956!) and wrote many books on marketing research (including some co-authored with Robert Ferber) and marketing management. He was not only a professor of marketing research but also Vice President of the Central Planning Bureau in the Netherlands. Johan Koerts published a multitude of excellent articles in *JASA* in the late 1960s and early 1970s on BLUS estimators. I was very lucky to have this team as my academic supervisors and mentors. They stimulated me to approach marketing problems in a more formal and conceptual way than was common in the early 1970s. In one of our joint articles, Johan Koerts and I developed concepts and ideas about marketing that Philip Kotler was formulating at the same time in his "generic concept of marketing" (see Leeflang and Koerts 1973).

Pushed by the idea of building bridges between econometrics and marketing, I became inspired by Montgomery and Urban's *Management Science in Marketing* (1969). I read and reread the papers cited in this monograph, which also helped me find "empty cells" in the current marketing science. In my dissertation, I therefore developed "new" Markov models that I calibrated using aggregate (annual!) data. I was inspired by authors such as Lee, Judge, and Zellner (1970) to apply and modify rigorous estimation methods. In another chapter, I worked to determine optimal sample sizes based on Bayesian analysis. In this context, I drew further inspiration from work by Raiffa and Schlaifer (especially *Applied Statistical Decision Theory* from 1960).

The data that I used to calibrate my empirical analyses came from Unilever (including data about "soup in bags") and Niemeier (a Dutch tobacco company). I met officers of Unilever and Niemeier at ESOMAR conferences in the early 1970s, who then invited me to present my findings at ESOMAR conferences (e.g., Leeflang and Koerts 1974). At this point in time, EMAC and Marketing Science conferences did not exist; ESOMAR was the only place in Europe that we could find international research contacts.

At one of these ESOMAR conferences, I met Susan Douglas (in 1972, in Cannes), who encouraged me to attend the second meeting of the European Academy of Advanced Research in Marketing (EAARM), to be held in Berlin in 1973. This conference was attended by approximately 25–30 participants. I still remember seeing names like Philippe Naert, Andrew Ehrenberg, Al Silk, Harry Davis, Marcel Corstjens, and Peter Doyle on the participant list. I felt very lucky to attend this conference, which stimulated me to find ways to bring this remarkable resource to the attention of my fellow researchers in the Netherlands. To this end, I organized a national research conference in Rotterdam in 1973, which in turn prompted many of my fellow Dutch researchers to attend the next EAARM conference in Brussels in 1974 (also the site of my first meeting with Bernd Wieringa). In 1975 in Copenhagen, EAARM transformed officially into EMAC, and the conferences attracted approximately 100 participants per year.

After defending my dissertation in 1974, I pursued four main research directions. First, I continued to develop my interest in stochastic consumer behaviour models (e.g., Leeflang and Boonstra 1982). Second, considering my shared interest with Philippe Naert in models in marketing, we decided to co-operate on a book: *How to Build Implementable Marketing Models* (Naert and Leeflang 1978). Third, I started a conceptual, formal monograph on marketing management (Leeflang and Beukenkamp

1981). This 1000-page "Dutch" book ultimately appeared in many basic courses on marketing management across all departments of economics throughout the Netherlands. Writing this book helped me structure my knowledge of marketing in (again) a more formal way.

It also stimulated me to keep up with relevant developments in marketing, particularly outside the marketing research and model building area. I rewrote and updated this book multiple times (four, to be exact).

Fourth and finally, I kept reading literature on marketing models and econometrics so that I could develop and apply the emergent models to aggregate (sales) data, such as those pertaining to the German cigarette market. The German Institute "Rauchen und Gesundheit" (Smoking and Health—an ironic name if ever there was one!) collected these data and offered Jan Reuyl and me opportunities to apply our models to them. At that time, we wrote our own computer programmes (i.e., skills) and published our joint empirical work in top journals including *Journal of Marketing*, *Journal of Marketing Research*, and *European Journal of Operations Research* (e.g., Leeflang and Reuyl 1984, 1985, 1986).

In the years that followed, I opted to include various other research streams, including those focused on competitive reaction functions (with Dick Wittink) and promotional effectiveness (with Eijte Foekens, Harald van Heerde, and, again, Dick Wittink). What we often performed were modifications of, improvements to, and developments to extend models that we had developed in the past. I call that effort "evolutionary model building" in (marketing) science (see Van Heerde, Leeflang, and Wittink 2008; Leeflang 2008). This method of research offers key advantages, in that the creation of a new, modified model (1) leads to new ideas, which (2) often can be empirically validated using the same database. For example, consider the sequence of models of competitive reaction functions in my prior work, such that Leeflang and Wittink (1996) builds on Leeflang and Wittink (1992), and Leeflang and Wittink (2001) and Horvath et al. (2005) extend these previously developed models. More recent developments in this research stream appear in Andrews et al. (2008) and Andrews, Currim, and Leeflang (2011). But I also have to acknowledge that my research development benefitted from my lucky introduction to Dick Wittink at one of the early Marketing Science conferences (Chicago, 1984). Our meeting began a very happy, intense, and successful co-operation that sadly ended only when Dick passed away unexpectedly in 2005. But as our collaboration exemplifies, in modern research, it is nearly impossible to make cutting-edge, relevant scientific progress without a "hot research line" to several U.S.-based researchers and business schools.

In particular, such contacts can help us develop the skill of looking for new research opportunities. For example, in 2002, I grew fascinated by the promise of models for pharmaceutical markets. Although it took some time to get our work published, we have established a new, burgeoning stream of research (e.g., Kremer et al. 2008; Leeflang and Wieringa 2010; Osinga, Leeflang, and Wieringa 2010; Osinga et al. 2010; Fischer, Leeflang, and Verhoef 2010). Another highly relevant research stream deals with the fundamental question of the role of marketing in firms (Verhoef and Leeflang 2009). Areas that also offer opportunities for more rigorous approaches include multichannel marketing, customer engagement (Bijmolt et al. 2010), and the co-operation between marketing and other departments such as sales, R&D, and finance.

We also need to keep up our skills with new research methods, statistical techniques, developments in econometrics, psychometrics, etc. In more recent papers, we therefore apply relatively more recent techniques, few of which have been used previously in marketing. For example, we apply Kalman filtering (Osinga, Leeflang, and Wittink 2010, Osinga et al. 2010), spatial econometrics (see Van Dijk et al. (2004), VAR modelling (Pauwels et al. 2010), and social simulation (Van Eck, Jager, and Leeflang 2011). It is forever necessary to keep up with new scientific methodologies, particularly with regard to developments in time series analysis (TSA), which offers opportunities to model markets that have not been addressed before (e.g., Kornelis, Dekimpe, and Leeflang, 2008). I strongly and consistently recommend that researchers in marketing become familiar with a portfolio of statistical techniques. I know there are (marketing) scientists who like to approach all (marketing) problems

using, for example, VAR or social simulation, but then we wind up “purging” problems through a technique (e.g., Peterson 1965) instead of choosing the most appropriate technique to solve the marketing problem.

Finally, I note that despite my previous distinction, skills and luck are not independent concepts. The probability of being lucky improves when we develop and use the right skills. The choice of a supervisor and marketing research institute, for example, is a highly relevant decision that increases the probability of being lucky. In modern science, the doctoral degree itself is less relevant than who the supervisor/supervising team is and which articles can be published in which journals on the basis of a candidate's dissertation.

Technical skills also can be obtained through professional education. In this respect, research colloquia by, for example, EMAC, EIASM, and EDEN have been very useful for marketing scientists in Europe and abroad. Becoming a member of an international-oriented research institute with high norms and standards is critical in this respect. Note, for example, that supervision, education, the research climate, and the research tradition have led to the success of at least three marketing institutes in the Netherlands (Erasmus, Tilburg University, and Groningen University), which rank among the top five institutes in Europe. The ranking and reputation of these institutions has everything to do with scientific norms, hard-working colleagues, and an atmosphere that allows researchers to fail, even as it encourages them to succeed.

I have been remarkably lucky to enjoy intense contacts and collaborations with firms that taught me how marketing works in practice. In my

opinion, such interactions with the practical side of marketing are a necessary, though not sufficient, condition for conducting effective research and for teaching students how to approach business problems appropriately. In this respect, I sincerely hope EMAC will breathe new life into the joint EMAC-ESOMAR conferences that have taken place in the past (1984-2004). I also hope that future EMAC conferences succeed in attracting not only a vast number of researchers but also those experienced researchers in marketing who have the skills from which we all can learn.

On that note, I take this opportunity to thank my former and present colleagues, whom I was lucky enough to meet and convince to work with me. Special thanks go to Dick Wittink, Jan Reuyl, Janny Hoekstra, Michel Wedel, Jaap Wieringa, Tammo Bijmolt, Peter Verhoef, Tom Wansbeek, and Koen Pauwels. I also have been lucky to supervise approximately 35 Ph.D. students, from whom I have learned so much and many of whom have become highly esteemed researchers in their own right, such as Jan Reuyl, Michel Wedel, Jan-Roelof Bult, Harald van Heerde, and Ernst Osinga.

I hope to continue to perform research in marketing—one of the main passions of my life. I plan to do so at the University of Groningen, as well as in Rome (Liberal University in the Social Sciences, LUISS Guido Carli), the Aston Business School (UK), and through my lucky co-operation in Frankfurt (Germany). Thus I hope to not only be among the first but also remain a “Distinguished Marketing Scholar” for years to come.

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### 1st Prize - Steven Sweldens Evaluative Conditioning 2.0: Direct versus Indirect Transfer of Feelings to Brands

One of the most universal techniques in advertising involves the presentation of a brand with affective stimuli, such as images that generate positive feelings. Think of brands that are shown with beautiful landscapes, happy people, or admired celebrities. The effectiveness of this technique is demonstrated by previous studies on a phenomenon called "evaluative conditioning". Evaluative conditioning consists of repeated co-occurrences of a brand (the conditioned stimulus) and a positive emotional stimulus (the unconditioned stimulus), which ensures that the feelings towards the brand will become more positive. In my dissertation I examine the underlying psychological processes through which this effect may occur. I show that there are at least two ways in which brands acquire positive feelings: an indirect and a direct route.

According to current theories on evaluative conditioning, the transfer of feelings always occurs in an indirect way. This means that the repeated presentation of the brand with the positive affective stimulus creates an association between the two in memory. This association then ensures that when one perceives the brand in the future, the affective stimulus is automatically activated in memory. An example is Nike which ran several advertising campaigns with golfer Tiger Woods. This creates a memory association such that when consumers see the Nike logo, they are consciously or unconsciously reminded of Tiger Woods. As long as consumers feel positive about the celebrity, this activation causes positive feelings towards the brand. Hence, the transfer of feelings is indirect, because it remains mediated by the brand - affective stimulus memory association.

In my dissertation I show that this is only half the process, as it is also possible to transfer positive feelings directly to the brand without the requirement to form memory associations between the brand and the affective stimulus. In the earlier example of Nike and Tiger, this would mean that repeated exposure to Nike with Tiger ensures that the positive feelings generated by Tiger directly 'rub off' to Nike, in a way that lets Nike acquire the positive equity, rather than borrow it from the celebrity. Consumers confronted with the Nike logo will then experience the positive feelings immediately, independent of a memory association to Tiger Woods.

In the first chapter of the dissertation I make a theoretical analysis of the key features in conditioning procedures which will make indirect versus direct transfer of feelings more likely. A crucial first feature involves the simultaneous or sequential presentation of the brand and the affective stimulus. I argue that a simultaneous presentation is essential to achieve direct transfer of feelings. Underlying this are earlier findings showing that the affective value of a stimulus (positive or negative feeling) is experienced before the cognitive identification of the stimulus. This means that consumers experience positive affect a few milliseconds before they've identified the exact source of the feeling. This opens the door for affective confusion: if a brand also appears during this short period in which affect is still diffuse (non-interpreted), it can benefit from the affective confusion such that the brand becomes directly associated with the positive feeling itself, rather than with the affective stimulus generating the feeling. Therefore, a simultaneous presentation of the brand with the affective stimulus is essential to transfer feelings directly to the brand. Direct transfer of feelings is impossible when brand and affective stimulus are sequentially perceived. It remains possible however, even with sequential presentations, to establish memory associations between the brand and the affective stimulus, and hence to achieve an indirect transfer of feelings to the brand.

A second important feature concerns the consistency with which a brand is shown with a certain affective stimulus. For indirect transfer of feelings it is important that a brand is repeatedly presented with the same affective stimulus, so strengthening the association between the two in memory. For direct transfer of feelings, the consistency of the affective stimulus is not important. As long as a brand is simultaneously displayed with positive stimuli, positive feelings can transfer to the brand. The possibility for affective confusion might even be greater when brands are presented with many different positive affect generators (as long as each positive stimulus is perceived simultaneously with the brand). Direct affect transfer is only dependent on the positive feelings occurring in the milliseconds before the affective stimulus is identified, not on the consistency of the source of those feelings.

In the second chapter of the dissertation, I examine an initial prediction following from this theory. Sequential presentation of brands with many positive stimuli would be a bad way to transfer feelings to a brand. The sequential presentation prevents the direct transfer of feeling. The fact that the brand always occurs with different affective stimuli, prevents indirect transfer of feelings because no strong memory associations are formed between the brand and any specific affective stimulus. Other combinations (e.g., simultaneous presentation with different affective stimuli; or sequential/simultaneous presentations with the same positive sti-

muli) all lead to direct or indirect feeling transfer and thus should be superior to sequential presentations with different positive stimuli.

This is indeed what I found, and this finding has important implications for practice. It follows that, for example, television commercials in which a brand is alternately shown with a variety of positive images will be ineffective in changing the attitudes towards the brand.

The third chapter contains the most comprehensive test of the predictions of our theory. I employ a method that allows verifying the indirect versus direct nature of the feeling transfer. Besides the theoretical significance of testing this distinction, there are substantial practical implications. Indirect transfer of feelings depends on an association in memory between the brand and the affective stimulus that caused the positive feeling. This immediately implies that if the positive stimulus somehow loses its positive value, this will affect the value of the brand. When the positive feeling, however, was directly transferred from the affective stimulus to the brand, then the brand can be expected to remain positive - regardless of what happens later with the feelings towards the affective stimulus. In the Nike - Tiger example one can think of the recent case in which Tiger's reputation was smeared after a sex scandal. If the feeling transfer had occurred indirectly (i.e., by forming an association between Nike and Tiger in memory), Nike's brand equity will deteriorate along with Tiger's. However, when the positive feeling generated by Tiger during the campaign was directly transferred to Nike, the brand would continue to be positively evaluated, even if the public's attitudes towards Tiger turn negative later. Direct transfer of feeling means that the brand (Nike) acquires positive feelings without the need for a memory association to the affective stimulus (Tiger) that originally caused the feeling.

The results confirm first of all that simultaneous presentations of brands with different affective stimuli lead to direct affect transfer. In this condition the brand remains positively liked even when - after conditioning - the attitudes towards the affective stimuli deteriorate. Second, I replicate the finding from the second chapter that sequential presentation of brands with different affective stimuli does not transfer feelings to the brand. Third, when brands occur repeatedly (sequentially or simultaneously) with the same affective stimulus, the feeling transfer was indirect as the brand attitudes track the attitudes towards the positive stimuli. When those depreciate, brand equity deteriorates as well. The implication for practice is that direct affect transfer makes brands immune to negative publicity concerning their endorsers.

In the fourth chapter another important difference between direct and indirect affect transfer is investigated: their susceptibility to interference, for example from advertising clutter. The prediction again follows from the fact that indirect feeling transfer is dependent on memory associations between brands and affective stimuli, whereas direct affect transfer does not depend on these associations. We know that associations in memory can be unstable, especially in situations where consumers learn something new right after the association between the brand and the affective stimulus is learned. In cognitive science, this phenomenon is known as retroactive interference: learning new material interferes with remembering material you learned earlier. This leads to the prediction that indirect affect transfer will be vulnerable to interference from new learning episodes post-conditioning. Conversely, direct affect transfer is independent of memory associations, and will therefore be immune to interference by new learning episodes that follow the advertising campaign. The experimental results in Chapter 4 confirm this prediction. The implication for practice is that direct affect transfer is superior to indirect affect transfer when consumers engage in other cognitive activities after processing a commercial. This is, to say the least, a common situation.

In the fifth chapter I examine consumers' ability to resist the effects of direct versus indirect affect transfer. The expectation was that consumers might be unable to resist the effects of direct affect transfer but can correct for indirect affect transfer. With indirect affect transfer, the presence of a memory association from brand to affective stimulus implies that consumers may have some insight into what causes their positive feelings towards the brand (e.g., "I like Nike because Nike is associated with Tiger"). Direct affect transfer is independent of such associations, hence consumers are unable to attribute their positive feelings towards the brand to another source. I find indeed that consumers are able to correct their explicit brand attitudes when feelings are indirectly transferred to the brand, but not when they are directly transferred to the brand. I also measured consumers' automatic, implicit attitudes towards the brands. At the implicit level it was found that consumers are unable to correct their automatic brand attitudes for the effects of neither indirect nor direct feeling transfer.





Probably the demonstration of "direct affect transfer" is the largest theoretical contribution of the dissertation, as existing theory only considered indirect affect transfer to be possible. The managerial implications lie in the many ways in which direct transfer of feelings is found to be more robust than indirect feeling transfer, as it is resistant to endorsers falling from grace, to advertising clutter, and to consumers' attempts to resist the effects.

Article forthcoming in the October 2010 issue of the Journal of Consumer Research

The dissertation is downloadable at:

<http://publishing.eur.nl/ir/repub/asset/16012/EPS2009167MKT9058922045Ssweldens.pdf>

Personal webpage: <http://www.insead.edu/facultyresearch/faculty/profiles/ssweldens/>

Steven Sweldens  
INSEAD

## 2<sup>nd</sup> Prize - Eva Blömeke

### Should they stay or should they go? Reactivation and Termination of Low-Tier Customers\*

\* The full paper is currently under review and has been written in co-authorship with Michel Clement and Tammo H. A. Bijmolt.

The paper represents the core part of a cumulative dissertation project which was honored with second place at the "EMAC McKinsey Marketing Dissertation Award 2010". The complete PhD thesis includes seven articles, which have been published, accepted to be published or are currently still under review. The thesis has been successfully finished in the year 2009 at University Hamburg and after defense rewarded with Honors.

Many companies face the problem of having a substantial number of low-tier customers – costly clients at the bottom of the customer pyramid (Kumar et al., 2006; Mittal et al., 2008; Zeithaml et al., 2001). These customers are often inactive in terms of buying behavior and therefore generate very low profits, or are even unprofitable, since the cost of serving them is about equal to or even exceeds their revenues (Shapiro et al., 1987). For this segment, it is necessary to either reactivate or terminate the customer relationships to increase profitability.

Managing unprofitable customers is especially relevant in industries that have long-term contracts with customers whose behavior is different than what is expected (e.g., flat-rate heavy users of ISPs) or when companies provide expensive pre-sale or post-sale services (e.g., subsidized hardware or catalogue mailings). The often high numbers of unprofitable clients; for example up to 50 % of some banks' customers and up to 40 % of mail order companies' customers (e.g., Ang & Taylor, 2005) indicate high practical relevance for companies business nowadays.

Within the framework of customer relationship management the main focus of the awarded PhD thesis has been on the very last stages of a customer's life cycle dealing with this segment of low-tier customers. Surprisingly, the topic has been addressed only sparsely in current empirical research (e.g., Homburg et al., 2008; Michalski, 2004). CRM literature focused mainly on the management of "valuable" customers along the stages of the customer relationship management process. The question of how to deal with unprofitable customers has been addressed in conceptual papers (Coulter & Ligas, 2000; Dwyer et al., 1987; Kotler & Levy, 1971), but little empirical knowledge exists on how customers react to marketing actions targeted specifically to the low-tier segment. For companies management the important question arises whether, and how, reactivation or termination of relationships with low-tier customers maximizes profits (Mittal et al., 2008). It is crucial for marketing managers to learn more about: (1) different actions that can be applied, and (2) customer responses to an executed action. According to these needs the present research study contributes to the existing literature in two ways: (1) it studies the effectiveness of an action addressing the segment of low-tier customers; and (2) it studies the action's effects on a broad range of customer responses: satisfaction, word-of-mouth, and purchase behavior.

To address this problem, a large field experiment has been conducted in cooperation with a B2C catalogue retailer. Implementation of a "last-call" marketing action for a group of low-tier customers aims at sales reactivation or relationship termination respectively. The sample consists of 12,000 customers who belong to the low-tier segment. These clients have been inactive for a substantial amount of time and were identified by the retailer as running a high risk of becoming unprofitable shortly: the mailing of a new catalogue, which induces substantial costs per customer, would lead to unprofitability if he or she does not place an order. In addition, future ongoing servicing (e.g. call-center usage) would lead to increasing costs for these clients.

The sample was split up into one control group and three treatment groups. The control group did not receive any package from the retailer whereas the treatment groups received a mailing, which served as a "last call" marketing action for the low-tier segment. There were two possible outcomes: reactivation if a customer places an order or termination if a customer does not respond. In the first case, all services will continue to be provided as before. In case of termination, the company will im-

mediately stop servicing the customer in terms of sending mail order catalogues and advertisements. As this step diminishes customer choice it can therefore be expected to have potential negative attitudinal effects. Grounding the effects of the "last call" action in the theoretical literature of being-longness theory and reactance theory, short term (action period) and long term (post-action period) effects have been analyzed. Data collection took place at the individual customer level on actual purchase behavior as well as on satisfaction, and (positive and negative) word-of-mouth. In addition, several control variables complement the data set. From a methodological point of view type-2 Tobit model (sample selection) and Analysis of Covariance (ANCOVA) have been applied in order to address the two different parts of the analysis.

The results indicate that the "last call" marketing action reactivates a small fraction of the low-tier customers. These customers also remain active in the months following the action period; hence the mailing-induced reactivation of the customers also has a long-term positive effect. Furthermore, the "last call" action involves the customers in the process of relationship termination. Here, no harmful effects can be found, such as dissatisfaction or negative word-of-mouth – implying that relationship termination is a viable option to managing the low-tier segment. In summary, the "last call" marketing action serves as fruitful option to determine the customer status and helps maximizing profits due to sales reactivation and even more so cutting of service costs.

The empirical findings expand the customer relationship management literature not only regarding the explicit focus on managing the low-tier segment at the end of the CRM process, but also because of the fact that several response measures on the individual customer level to a "last call" action have been analyzed.

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Eva Blömeke (PhD)  
University of Hamburg

## 3<sup>rd</sup> Prize - Maarten Gijsenberg

### Timing is Money

## In search of the role of timing in marketing decisions and effectiveness



Firms experience an increasing pressure to justify their marketing investments. This pressure is even more prominent during economic downturns when every euro matters more. I show that firms can increase the returns on their marketing investments by a good understanding of the timing of these investments, both at the macro-level of the effectiveness evolution across the business cycle, and at the micro-level of individual campaign decisions.

#### Marketing investments under pressure

One of the most fundamental changes the marketing profession has experienced over the past decade, is the gradual shift in the way firms look upon marketing expenditures. Once treated as mere costs, they are now considered more and more to be investments that should deliver shareholder value. Firms want to realize the highest possible returns on their investments, and marketing investments are no exception to this. It should hence not come as a surprise that a recent survey among senior marketing managers showed that exactly improvement of the performance and the accountability of the marketing organization are two of their main focuses (CMO Council, 2009). In addition, for the second time in a row, return on investment and accountability of marketing expenditures have been included in the Marketing Science Institute Research Priorities (Marketing Science Institute, 2008): "...companies are more interested than ever in understanding and measuring the returns being obtained from marketing investments...", and better knowledge on more effective resource allocation is asked for (Marketing Science Institute, 2010). Measuring, understanding and improving the effectiveness of marketing investments has thus become of central interest to marketing practitioners as they experience more and more pressure to justify these investments.

One of the crucial determinants of the success of such investments, is their timing (see e.g. Bagozzi & Silk, 1983). Knowing and understanding its role in marketing decisions and in the effectiveness of marketing mix instruments are elementary prerequisites in developing effective strategies to maximize performance and returns. However, when referring to the timing of investments, it is important to distinguish between two clearly different but at the same time intertwined dimensions: the macro-level of the effectiveness evolution of investments across the business cycle, and the micro-level of individual campaign investment decisions.

#### Marketing mix effectiveness and business cycles

The recent economic crisis forced many managers to actively reconsider their marketing decisions (McKinsey, 2009). Marketing budgets are cut, and especially advertising budgets become scrutinized. By January 2009, 71% of all marketing managers had already reduced their advertising budgets, and 77% was planning to economize further on media expenditures (Advertising Age, 2009). This tendency to reduce marketing budgets during economic downturns has, in addition, been well documented in a growing stream of articles on the intensity of marketing investments over the business cycles (e.g. Axaroglou, 2003; Lamey et al., 2007; Deleersnyder et al., 2009).

Whereas the evolution of the magnitude of the invested budgets over time is well documented, much less is known on whether, and to what extent, their effectiveness varies across the business cycle. During economic downturns, consumers' attitudes and expectations are altered. This, in turn, will have serious implications on their actual purchasing behavior, and the decision making process behind it (Katona, 1975). The uncertainty incorporated in such crises, especially concerning consumers' future revenues, makes the consumers lose trust. Encouraged by possibly reduced disposable incomes, consumers reduce or postpone their expenditures, and focus more on functional relative to hedonic features.

To answer the managerially relevant question which strategies are most useful during economic downturns, we investigated the effectiveness of two highly visible marketing mix instruments, i.e. Price and Advertising, over the business cycle. Proper knowledge on the effectiveness evolution not only enables firms to adjust their budgets according to the relative effectiveness of the different marketing mix instruments, but also enables them to avoid so-called double jeopardy situations. In such situations, firms economize on investments in certain instruments, without knowing that the effectiveness of those instruments has actually decreased, resulting in even lower effects than anticipated when decreasing the budgets. A good understanding of the effectiveness evolution, in contrast, gives indications on optimal budgeting strategies for advertising and pricing across the business cycle.

To provide answers to these questions, we analyzed the price and advertising effectiveness evolution of 163 CPG brands in 37 categories

from the UK over 15 years of monthly observations. No private labels were included in our analyses, as they are likely to follow different marketing strategies than national brands. We first assessed the state of the economy by means of business cycle filtering and subsequently developed a time-varying sales response model, thereby correcting for endogeneity and allowing for heterogeneity and intra-category correlation of all error terms. Time-varying parameters were linked to the state of the economy by means of a parameter process function. Finally, Bayesian estimation techniques allowed for optimal statistical efficiency.

The results of our work show that during economic contractions, purchase patterns are less consistent than during expansions. In other words, consumer inertia is less during downturns than during upturns. Short-run and long-run price elasticities are stronger during contractions compared to expansions. During contractions, consumers experience an increased pressure on their budgets, and become more price-aware. They engage in more focused information search processes for lower price offers, thus trying to get the most out of their reduced budgets. Whereas the effectiveness of price discounts increases during contractions, both short-run and long-run advertising elasticities are smaller during contractions relative to expansions. Even though both advertising clutter and media rates can be expected to be smaller during contractions, lost trust and confidence among consumers, combined with reduced budgets, will decrease consumers' willingness to purchase, which, in turn, will lead to lower reactivity to advertising messages. The aforementioned effects, however, are not the same for all brands. Premium mass brands, characterized by high prices and high advertising expenditures, show the lowest sensitivity of their marketing mix effectiveness to economic fluctuations. Value brands, with low prices and low advertising expenditures, in turn, show the highest sensitivity.

Given these effectiveness evolutions, reallocation of budgets from advertising to price discounts appears a sound strategy to maintain or even increase sales in the short run. However, managers should be aware of the fact that during contractions, consumer inertia will strongly decrease. As a consequence, long-run outcomes of price reductions will be considerably smaller than expected. At the same time, brands with higher advertising expenditures have a reduced sensitivity of marketing mix effectiveness to economic fluctuations. Advertising can be considered an investment in brand equity, which creates a buffer against the effect of unfavorable economic circumstances on consumers' purchases. As such, the findings presented here should not be interpreted as a call to drop advertising during downturns. Finally, economic downturns do not only have to be a threat, they can also be a challenge. Lower consumer inertia during such periods enables sampling of new brands and products, providing those firms that offer true added value to the customer better chances in gaining new customers, thus improving long-run performance.

#### Individual campaign decisions

However, the success of marketing investments will not only depend on the macro-dimension of their timing over the business cycle. A second dimension in which the effectiveness of marketing investments is time-dependent, is the micro-dimension of individual campaigns. Carry-over effects of advertising enable firms to apply dynamic advertising strategies, as the effects of current advertising investments will persist for some time in the future (e.g. Leone, 1995). Firms thus do not have to advertise every single week, but can capitalize on their investments during previous periods. Timing and magnitude of advertising investments, together, have been shown to be central drivers of advertising effectiveness (e.g. Danaher, Bonfrer & Dhar, 2008).

Firms are not acting in a void though. Their products are competing with other offerings for the attention of, and ultimately the purchase by, consumers. Competitive interference by means of competitive clutter can seriously hamper the firms' efforts in doing so (e.g. Assael, 1998). This competitive clutter is essentially a combination of (i) the number of competitors that is advertising, and (ii) the total amount of advertising by these firms. It was shown that especially the number of competing messages will play a crucial role in the reduction of the own advertising effectiveness (Danaher et al., 2008). Being able to understand when to expect competitors' advertising, in combination with the total expected magnitude of this advertising, therefore becomes crucial. It enables firms to avoid competitive interference, thereby increasing the effectiveness of the own investments.



To understand how firms make their advertising decisions over time, we investigated the drivers behind the timing and magnitude of the observed advertising spending patterns. We therefore analyzed the weekly advertising decisions of 748 CPG brands in 129 product categories from the UK over a period of three years, thus covering nearly completely the assortment of an average supermarket. Here as well, we did not include private labels because of likely different marketing strategies, but included both large and small brands, frequent and extremely infrequent advertisers to obtain the most comprehensive view of the market.

The basis of our analyses, is the fact that advertising decisions can be seen as a multiple decision process. Two key decisions which have to be taken, are when to advertise, and how much to spend (e.g. Tellis, 2004 p. 72). We treated this dual advertising decision as an investment decision process. At each point in time, the brand chooses (i) whether or not to advertise (timing), and, (ii) conditional upon this decision, how much to spend (magnitude) (e.g. Bar-Ilan & Strange, 1999). These decisions, we argue, can be explained as the outcome of advertising goodwill (Adstock) management systems. Brands advertise to create goodwill (Adstock) among consumers, goodwill that is expected to ultimately translate into sales. As a consequence, this advertising goodwill should not drop below a certain minimum level  $s$ . If this would be the case, the brand will start advertising again, until a certain goal level  $S$  has been reached. Over time, goodwill will depreciate, leading in fine to a new advertising campaign. As such, this system shows strong resemblance with well-known (s,S) inventory management systems. Although such systems are very popular and widely used in logistics (e.g. Silver, Pyke & Peterson, 1998), applications in advertising research are scarce (Zufryden, 1973; Doganoglu & Klapper, 2006). This advertising goodwill management system was subsequently introduced in a new multivariate hierarchical tobit-II type model which was estimated by means of Bayesian estimation techniques (Gibbs sampling) to ensure optimal statistical efficiency.

Observed advertising spending patterns were shown to be mainly driven by internal firm factors, with category and competitive factors having a much smaller or no impact, respectively. As such, timing and magnitude of advertising can to a large extent be considered the outcome of brands' advertising goodwill strategies. Contrary to what has often been argued in the advertising literature, advertising decisions appear not to be in-

fluenced by competitive reasoning. A higher likelihood of competitive advertising will not lead to an increased likelihood of a new advertising action, or to higher expenditures. Escalation tendencies, with brands reacting on each others actions in an ever more fierce competition (e.g. Metwally, 1978) could consequently not be found. These results, on the other hand, complement the findings by Steenkamp et al. (2005) as their work also showed that reactions to competitive advertising shocks are extremely rare. Anecdotal evidence from practitioners adds to these findings, as several advertising agency account managers confirmed that brands, in general, focus on their own internal advertising utility calculi, and much less on what their competitors are doing in their actual advertising decisions.

Decision processes on timing and magnitude of advertising campaigns, on the other hand, are not equal for all types of brands. Brand market share and advertising frequency are important determinants of the extent to which brands' advertising decisions can be described by means of advertising goodwill management systems. Larger brands can react better to changes in their advertising goodwill as they simply have more means at their disposal (Allenby & Hanssens, 2005). Learning effects through previous experience, in turn, may have shown higher frequency advertisers ways to monitor more closely the evolution of their advertising goodwill.

Our framework now provides a useful tool for firms to analyze and predict competitors' advertising spending patterns. It allows them to understand when advertising by competitors is more likely to take place, and to subsequently avoid advertising at the same time. As such, understanding and taking into account the timing of competitors' actions enables firms to avoid competitive clutter and increase own advertising effectiveness.

*Timing is Money*

*Maarten Gijsenberg*

*Catholic University of Mons*

## 2010 Winners of the JB Steenkamp Award for Long Term Impact

Inge Geyskens, Jan Benedict Steenkamp, Lisa K. Scheer and Nirmarya Kumar won this year's Long-Term Impact Award for their paper "The effects of trust and interdependence on relationship commitment: A trans-Atlantic study" (International Journal of Research in Marketing, 1996, 13 (4), pp 303-317).

The Steenkamp Award for Long-term Impact, established in 2008, is given annually by the European Marketing Academy (EMAC) and the International Journal of Research in Marketing (IJRM) to the most exceptional contribution in academic marketing research, published in IJRM 10 to 15 years ago, which have demonstrated long-term impact.

A 4-member Award Committee, formed by the IJRM editor and the EMAC VP of Publications, managed the nomination and selection procedure. For this year, the committee was composed of Peter C. Verhoef (chair), Zeynep Gurhan-Canli, Bruce G.S. Hardie, and Sandy D. Jap.

The following criteria were used to determine the winning paper: (1) the paper's ISI citations; (2) the votes it receives from the IJRM Editorial Board members during two rounds of voting, and (3) the paper's quality, as assessed by the award committee's in-depth reading of the paper.

Following this procedure, the Geyskens et al paper (1996) won from among the 158 eligible papers published in IJRM from 1995 to 2000. According to the jury:

The paper of Geyskens et al. (1996) has had strong impact on research within marketing channels and relationship marketing. It is one of the first papers to study simultaneously three very important theoretical constructs within relationship marketing: commitment, interdependence and trust. Moreover, it strongly pledges for the existence of two components of commitment: affective and calculative commitment. In prior highly cited research (e.g., Morgan & Hunt, 1994) this distinction has never been con-

ceptualized and tested. Interestingly in line with the international orientation of IJRM it investigates these constructs in two countries. We are confident that this paper has been used extensively in follow-up research to further understand customer- and channel relationships. Being on the forefront of the development of extensive research within relationship marketing this paper has heavily been cited. According to the Web of Science it received 143 cites, while Google Scholar registers 407 cites. This is by far the most cited of the nominated papers. We also believe that this paper will remain to have an enduring impact on the field given its important theoretical contributions.

**Abstract of Geyskens et al (1996):**

In recent years, interorganizational relationship management has become of paramount interest in marketing channels research. Marketing managers and researchers have identified mutual commitment among exchange partners in a marketing channel as central to successful relationship marketing and as key to producing significant benefits for firms. We consider two types of commitment that may characterize interfirm relationship. Affective commitment expresses the extent to which channel members like to maintain their relationship with specific partners. Calculative commitment measures the degree to which channel members experience the need to maintain a relationship. After conceptualizing commitment, we offer a set of hypotheses concerning the joint impact of trust and interdependence on both affective and calculative commitment. Testing our hypotheses in a field study involving two countries, we find strong evidence that total interdependence enhances both affective and calculative commitment. Which type of commitment develops depends on trust. The unexpected positive effect of interdependence asymmetry on affective commitment seems to be in line with a stream of research that has emphasized the positive role of power differences in promoting the effective coordination of channel relationships.

# IJRM Best Paper Award 2009

## Demand driven scheduling of movies in a multiplex

The motion picture industry is a major economic activity, involving millions of people and billions of dollars annually throughout the world. The exhibition industry, which represents the interface between the product and the consumer, is an important sector of the industry. Traditionally, the decision-making style in this sector has been intuitive and judgmental. Not surprisingly, small increases in efficiency can lead to large additional profits. In this paper we build on previous work to tackle a very important problem, namely quickly finding close to optimal daily schedules for movie theaters.

Each week movie theaters are faced with very challenging problems that they must solve in order to optimize their profit. They must determine which movies to purchase, when to show each movie, and on what screen. There are two major sources for revenue for a theater: ticket sales from a movie, and concession sales to patrons. Unfortunately it is not enough to try to maximize ticket sales, as the amount of money per ticket kept by the theater depends on many factors, from the contract with the distributor to the time that has passed since the movie has been released. Typically theaters keep a higher percentage of ticket sales the longer a movie has been out, but usually the longer a movie has been showing in the theater, the less demand there is to see it.

This paper builds on earlier work by some of the authors, where a model (SilverScreener) was developed to tell theaters what movies to purchase each week. In the current work we take this input movie list as a given, and then develop a decision support system, (SilverScheduler), to efficiently search for the optimal daily schedule for the entire week. We are thus trying to optimize revenue, subject to several constraints. These constraints range from 'hard' constraints that cannot fail (such as we cannot show two movies on the same screen at the same time) to 'soft' constraints on desirable features of a daily schedule for the theater (such as not too many movies start or end at the same time, or every 20 minutes some movie starts). It is extremely desirable to have a custom-designed algorithm, where individual theaters can impose additional structure on the final solution.

We employ a binary integer linear programming formulation. A nice feature of this approach is that it is very easy to incorporate managerial constraints in the schedule; however, there are several issues that affect implementation. The most important, of course, is that the mathematical programming problem requires as an input the demand for each movie at any time in the day. Another practical issue is that we only have a few

hours from when we are told the candidate list of movies to when we must send our schedule to newspapers or post online. Hence, the algorithm has to be efficient.

The first issue is addressed by developing a demand forecasting model for the films under consideration. For movies that have been playing in the theater for one or more weeks, we incorporate the actual attendance data up to the time that the SilverScheduler program is run. The longer the movie is running, the more data that can be incorporated in the forecast. This model also includes characteristics of the movie (e.g., genre) as well as other information such as time of day and holidays. For new movies, the forecasting approach also involves asking managers to identify similar films to the new movie that they have previously shown in their theater, and then incorporating the observed demand of those movies in the forecasting.

We then pass these demand predictions to the linear programming model. We formulate the problem as a generalized set partitioning problem, and use column generation techniques to quickly arrive at a solution close to optimal (where we are able to quantify how close we are to the optimal solution). SilverScheduler runs very quickly, finding an answer within 2% of the optimal value in a matter of minutes.

To evaluate our approach, we generated retrospectively schedules for the theater De Munt, a multiplex with 13 screens in central Amsterdam, over several weeks in 2005. Not only does the model makes movie scheduling easier and less time consuming, it also yields a 10% increase in attendance and satisfies all of the managerial constraints (which were occasionally violated in the schedules done by hand). Of course, this is not an entirely fair test, as we are assuming perfect demand forecasting capability. Under such ex-post facto analysis where we used the actual observed visitor data to run a regression model for the demand, we found that there is room for an increase in attendance (on the order of 2.5%), which translates into almost \$200,000 in additional revenue for De Munt each year. As there are almost 20,000 movie theaters in Europe and the United States, there is enormous opportunity to assist theaters.

*Jehoshua Eliashberg, Quintus Hegie, Jason Ho,  
Dennis Huisman, Steven J. Miller, Sanjeev Swami,  
Charles B. Weinberg, Berend Wierenga*

## Best Paper Based on a Doctoral Dissertation 39th EMAC Conference

### An individual level decomposition of salesperson performance using a three component model

In many industries sales management causes the single largest marketing spending (Man-trala, Gopalakrishna, and Josephs 2008; Albers, Mantrala, and Sridhar 2008). These considerable spendings should be used efficiently. An important driver for an efficient sales force is the performance of the individual salespersons. In benchmarking literature Data Envelopment Analysis (DEA) (Charnes, Cooper, and Rhodes 1978) is the preferred technique for data driven evaluation. DEA has been applied to a wide range of relative efficiency benchmarking contexts, but has a distinct focus on bank branch applications (e.g., Sherman and Gold 1985; Ferrier and Lovell 1990; Oral and Yolalan 1990). In contrast, sales management provides only few published DEA applications (e.g., Boles, Donthu, and Lohitia 1995; Mahajan 1991).

In well executed DEA applications, the focus is on a production function where the efficiency of combining different input factors is at the heart of the analysis. As an example, in bank branch applications, the branch manager decides on the combination of factors, e.g., on the number of people employed, on the outfit of the branch, and on the branch size. Of course, in addition to the factor combination, the branch performance also relies on the market response. But the branch manager can create many different factor combinations, having the same market response, so that in the banking examples, the input factor combination is the essential influence on the branch performance.

Up to now, the performance of individual salespersons has been related more to market response than to input factor combinations. If we want to successfully apply DEA for salesperson benchmarking, we have to concentrate on issues of input factor combinations that warrant the estimation of production functions. Previous DEA applications in salesperson benchmarking do not account for this issue. Input factors suggested there are, e.g., the salary of the individual salesperson, the number of sales trainings, salesperson's seniority, or the related first line sales manager's management control span. All these factors cannot be directly influenced by the observed salesperson, and thus do not represent elements for a suitable production function giving actionable benchmarking information.

If we want to successfully apply DEA for salesperson benchmarking, we have to identify factors which are directly influenceable for the observed salesperson and directly affect the sales volume. We start with the regular activities of a salesperson. The activities are mainly represented by his or her calling activities. But calling consists of thousands of diffe-





rent activities across different customer segments and sub-territories, so that we have to come up with some meaningful aggregates which represent a problem of factor combination at salesperson level.

Basically, a salesperson faces three alternatives for spending his or her time: a) spending time on a large number of calls (we call this measure the salesperson's effort), b) spending time on the preparation of calls, resulting in higher chances for sales closure. A suitable measure for the quality of calls is the individual salesperson's elasticity of calling, since the elasticity reflects how much additional sales a salesperson can achieve with more time for preparation (we call this measure the achieved quality of calls), c) spending time on exactly planning the calling frequency for each customer, so that customers at which the call unfolds higher effectiveness have higher call frequencies (we call this measure the salesperson allocation quality). All three factors can directly be influenced by the individual salesperson and provide input factors for a production function the output of which is the salesperson's sales volume. Finally, DEA is used for the integration of the three production input factors and for salesperson benchmarking.

By using the recommended input factors, we are in the position to achieve efficiency gains comparable to the bank branch applications. The combination of DEA benchmarking relations between salespersons and actionable input factors which are directly influenceable for each salesperson, helps us to improve the efficiency of each individual salesperson, e.g., by achieving higher sales volumes. The direct improvements for each salesperson have not been achievable in previous DEA sales management applications, in which the factors have not been influenceable at the level of each salesperson.

In a prospect model application, the first step is to estimate salesperson specific elasticities from an individualized sales response function (remember, that the elasticities are one of the recommended DEA input factors, reflecting the achieved quality of calls). We use the Bayesian hierarchical linear model described by Rossi, Allenby, and McCulloch (2005) for estimating an idiosyncratic semi-log sales response function.

The second modeling step is to derive the salespersons' allocation quality. The total time a salesperson spends for calling is a scarce resource which has to be allocated carefully across customers. Usually, customers are located in different sales coverage units (SCUs) within each territory, belonging to different customer segments. A smart salesperson allocates calls across customers, so that his or her individual calls have the largest effect on sales. This effect on sales is determined by the salesperson specific sales response elasticity, which has been estimated in the previous step. By comparing the sales generated from the individual salesperson's optimized allocation of calls with the one generated by the actual allocation (from the data), we achieve the allocation quality factor for each salesperson. It represents the sub-optimality given by the sales volume generated by the actual allocation.

In the third modeling step we derive the effort factor. A frequently used effort measure is the salesperson's total time used for calling. However, sales territories do not have the same effort premises. The territory design differs, e.g., by the spatial territory size, which leads to heterogeneous time consumption for travel. We use a territory specific weighting scheme for each salespersons' overall calling time. While the traveling time varies across territories, the time used per individual sales call might be the same in each territory. Thus, for each territory we calculate the salesperson specific share of calling time to travel time as a weight for the time used for sales calls. The territory specific effort of a salesperson is calculated as the relation of the time used for sales calls divided by the share of calling time to travel time (Skiera and Albers 1998).

As a supplementary fourth input factor we include the territory specific selling potential, which accounts for the observed territory heterogeneity, while the salesperson specific factor weights account for the unobserved heterogeneity between territories. In the DEA model, the territory potential is specified as a non-influenceable input factor, so that the potential cannot be changed by the salespersons. We account for diminishing marginal effects by using the natural log of the input variables. The DEA is applied as an output-oriented model with bootstrapped confidence limits for the efficiency scores (Simar and Wilson 2000). The salespersons' achieved quality of calls (salesperson elasticities), the salespersons' allocation quality, the salespersons' effort and the supplementary territory potential factors are used as input factors. The territory sales volumes are used as output factors. The individual efficiency scores and benchmarks resulting from DEA are used to calculate sales objectives for each individual salesperson. If a salesperson achieves his or her individual sales objective, he or she achieves the (full) efficiency of his or her related benchmarks.

In an example application, we use panel data from a medium sized German pharmaceutical company selling its product by a sales force. The

firm has an extensive database which records sales calls and marketing events to four physician segments which were built according to their prescription potential. The company has access to IMS Health sales data and pharmacy coverage for 1860 sales coverage units. There are 55 sales territories in Germany, each aligned to a single salesperson, with each territory being composed of an average of 34 SCUs. The data contain multiple observations for each SCU in a period of 43 month in the years 2001 to 2004. For calculating the effort measure, we have geographical information on the distances from each SCU-center to another.

The application results in four top performing salespersons having a relative efficiency score of 100%. They are the benchmarks for all less performing salespersons. Each salesperson with an efficiency score smaller than 100% has at least one efficient salesperson as a benchmark. Each benchmark has a specific influence on the observed inefficient salesperson, so that each benchmark can give detailed orientation for the observed inefficient salesperson. Sales objectives indicate the sales volume which can be achieved by the observed inefficient salesperson with an orientation at his or her individual benchmarks. The average efficiency of the sales force is 81.59%. The average monthly sales volume is €538,895 and the average monthly sales objective is €568,559. Thus, using the recommended benchmark model, we can achieve an average improvement of €29,664 per salesperson and month (5.50%) or €19,578,240 per year for the whole sales force, if all salespersons become fully efficient. Of course, such improvements are not likely to be fully realized in practice, but serve as an indication for potential gains.

Previous DEA sales management applications do not provide input factors which account for DEA and sales management requirements. Factors chosen have not been influenceable for the individual salesperson. The estimated production functions have not been solely based on actionable input factor combinations. The recommended model fixes those issues by applying influenceable input factors, which fully reflect sales management and DEA requirements. Using these factors, we achieve efficiency gains comparable to the bank branch applications. The model also provides more diagnostic information what can be improved, using the salespersons' benchmark relations, in contrast to previous DEA applications which are more focused on solely ranking the sales force.

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**Andre Bielecki**

Christian - Albrechts - University at Kiel



# EMAC 2010 Conference – Copenhagen

1-4 June 2010

First of all, a big thank you to the almost 800 delegates who joined the conference and so enthusiastically contributed to making it the inspiring event it was!

Copenhagen Business School was honoured and proud to host the annual EMAC conference this year for the third time – not least because the Academy was formally founded in 1975 in Copenhagen. To celebrate the many conferences an exhibit included both conference bags and proceedings from the past twenty years:



The Organizing Committee tried hard to make the conference a memorable event and, given the many comments we received during and after the conference, it seems that we succeeded...

In line with our conference motto, we aimed at fulfilling all senses – not least with introducing the brand new EMAC sound logo! Click here to replay it (or go to the conference site):

Three social events took place to drive networking and relaxation after long days spent in 130 sessions. The opening ceremony was held at the beautiful Copenhagen City Hall and we suppose that all remember the delicious buffet the City Hall provided. Another evening was dedicated to a boat sightseeing trip, providing a wonderful view of Copenhagen, the Royal Yacht, the Opera House and the many canals.



The Gala dinner was held in Øksnehallen, originally a cattle market in the early years of last century. After its restoration in the 1990's, Øksnehallen now entertains a different breed of animals and is arguably one of Copenhagen's most unique exhibition and conference venues.

It certainly provided a splendid setting for the award ceremony, the passing on of the EMAC flag to next year's conference organizers, and the full dance floor party fuelled by the German band "Be souled" – and memorably supported by our Past-President George Avlonitis on drums (check

out YouTube!)

This is how it looked like before the serious partying started:



And this is how it looked like when the dinner was in full swing:

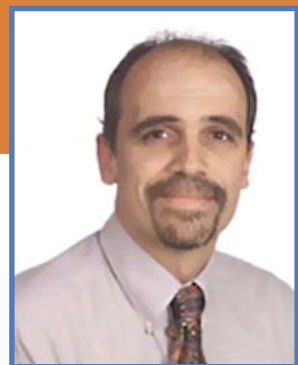
Many people were energetically driving this event and we would especially like to thank the many authors who submitted papers, the more than 620 reviewers who selected among these, and the ardent work by track chairs and co-chairs under the guidance of our colleague Professor Thomas Ritter. We would also like to thank the members of the organizing committee, especially Associate Professor Thyra Uth Thomsen for her work with the website and the gala dinner, Associate professor Richard Jones as Master of Ceremonies, as well as our dedicated staff, most particularly our Conference Secretary Claudia Nielsen and CBS's keen Conference Secretariat with Kirsten Suhr Jacobsen and Kristine Olsen. An appreciation also goes to the Executive Committee of EMAC, especially to our now Past-President George J. Avlonitis, to Vice-President for Conference Gabriele Troilo and to Vice-President of Publications Hubert Gatignon. And last but not least a very special thank you to Nina Payen, EMAC Executive Secretary, for her exceptional work and positive encouragement throughout!



Finally, we like to thank our sponsors that include the foundations of FUHU, Otto Mønsted and Knud Højgaard as well as SAS (Scandinavian Airlines), Copenhagen City Hall, Sonic Branding (who developed the sound logo) and not the least Copenhagen Business School.

And then there were our dedicated student assistants – impossible to be overlooked in their bright orange T-Shirts:

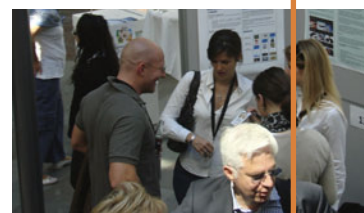
This year, 865 papers were submitted and 451 were accepted into 21



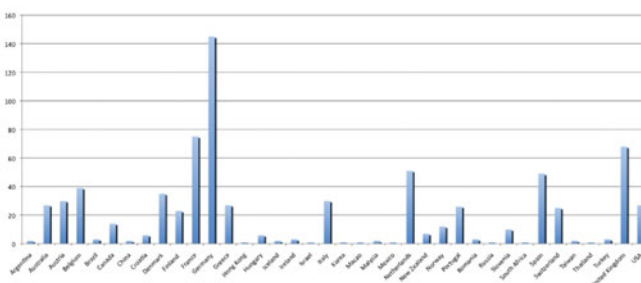
tracks as well as 12 Special Interest Group Sessions (SIG) and two Invited Special Sessions (SpS). The average acceptance rate of 52% is in line with that of previous years. However, there was a bit of a range – with the Consumer Behaviour track having the lowest acceptance rate of 40% (141 submissions) and the Sales Management and Personal Selling track with the highest acceptance rate of 78 % (nine submissions). The acceptance rate of most other tracks though was within the range of 49 – 56%. The top 5 ranking tracks in terms of number of submissions were:

- Consumer Behaviour
- Advertising, Promotion and Marketing Communications
- Product and Brand Management
- New Technologies and E-Marketing
- Social Responsibility, Ethics and Consumer Protection

The EMAC week is more than the conference as it actually starts with the Doctoral Colloquium. This year, there were 107 submissions out of which 60 were selected. These were distributed along three beginner tracks (36 papers) and three advanced tracks (24 papers) in Marketing Mix Instruments, Consumer Behaviour, and Strategy and Internet. The Doctoral Colloquium was facilitated by 15 faculty members, who all deserve to be much commended for their encouraging support of the attending PhD students. Sincere thanks go to Marion Hebbelynck from EIASM for handling the administrative side. Finally, about 70 posters were presented during the poster session.



Another statistic that EMAC enjoys to look at is the origin of the delegates – not least because EMAC's members come from many countries outside of Europe. This year in Copenhagen, delegates from 38 different countries joined – with the biggest five groups coming from Germany, France, United Kingdom, Netherlands and Spain:



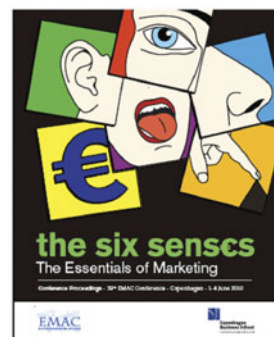
The academic part of the conference is, as usual, documented in the Proceedings – with its cover reminding us of the six senses marketing deals with:

On behalf of the Organizing Committee we hope that you retain fond memories, both professionally and socially, of your stay in Copenhagen! We hope that you might come back some time in the nearer future for research and teaching – and we certainly look forward to seeing you next year in Ljubljana.

**Professor Dr. Suzanne C. Beckmann,**  
Chair  
**Professor Torsten Ringberg,**  
Vice-Chair

Copenhagen Business School  
Department of Marketing

PS: If any of the many of you that have taken pictures during the conference that you like to share with us, we would be very happy to receive them!





# 23rd EMAC Doctoral Colloquium – Copenhagen

May 30–June 1 2010

In line with EMAC traditions, the 23rd Doctoral Colloquium (DC) has taken place just before the EMAC conference in Copenhagen (Denmark). There are two tracks: a beginners track and an advanced track. Students in the beginners track are usually in their first or second year and present a proposal for their future research projects. Students in the advanced track are typically in their second or third year. They should have a good knowledge of the literature in their research domain, research questions, and have collected data. The objective of the DC is to allow outstanding and promising doctoral students in Marketing to present their dissertation research and to discuss it with other doctoral students and leading academics.

The following faculty members served as co-chairs in charge of one session: Thorsten Hennig-Thurau (University of Muenster, Germany), Rik Pieters (Tilburg University, The Netherlands), Demetrios Vakratsas (McGill University, Canada), Florian von Wangenheim (TU Munich, Germany), Klaus von Wertenbroch (INSEAD, France), and myself. We received 107 submissions, and accepted 60 papers. To underline the international aspect of the DC: the faculty members originated from six different countries and the 60 participating students from fifteen countries. New to the DC program was the dinner offered to support and communicate the EMAC McKinsey Marketing dissertation award. Next to the presentations by the students, the DC included presentations by faculty members. On Monday, Ajay Kohli gave a plenary presentation on theory building in marketing. At the end of the program, Marnik Dekimpe, editor of *IJRM*, discussed how (not) to get your research published in *IJRM* or another high-ranked marketing journal. Both presentations were highly valued by the participants.

Ajay Kohli, key-note speaker and faculty member in one of the tracks, formulated the success of the DC as follows: "From my perspective, the Doctoral Consortium is an outstanding event. It is superbly organized and a very important event in the professional lives of future marketing academicians. I love the fact that doctoral students can benefit from feedback on their research projects from multiple established faculty at schools other than their own. It is also a great forum for doctoral students to be exposed to broad topics like theory construction that are central to good research but seldom available in an organized format at most schools. Finally, the tone of the Doctoral Consortium is perfect for meaningful and substantive networking among doctoral students and faculty. This year's Doctoral Consortium excelled on each of these dimensions, and congratulations are in order for the organizers!"

Similarly, Rik Pieters, co-chair of the DC for the Beginners track on Consumer Behavior, stated: "The Consumer Behavior beginners Track was highly successful in terms of the activity of the individual PhD students who presented their proposals and initial research, the feedback that the other students gave while one of them was presenting, and the general supportive and creative atmosphere. We, the three "coaches," tried each and jointly to provide direction for each of the research proposals, which was easy due to the high quality of the students and the work they had already done. The research topics were very diverse, from latent class Markov switching models for value segmentation and how to tie these to strong consumer behavior theory, to in-depth analysis of bilingual and bicultural consumer behavior patterns, and consumer socialization of very young consumers. And the PhD students formed bonds among each other that will last long and that will help them proceed in their careers as well. Having been part of several other doctoral colloquia (AMA and ACR), I am convinced that EMAC's DC is the outstanding service to the field of marketing and to each of the talented PhD students that participated."

To my best knowledge, the participants appreciated all aspects of the DC: scientific discussions with excellent faculty members and PhD students, networking, inspiring plenary presentations, the pleasant atmosphere, the facilities at CBS, the city of Copenhagen, etc. Hence, the objectives of the DC have been met again!

I have been chairman of the DC for three years in a row: time to step down. The excellent news is that Andreas Herrmann (University of St. Gallen, Switzerland) will take over. Andreas has experience as co-chair and faculty member at the DC. He is a high quality researcher with broad interests. I'm convinced he will do an excellent job as DC chairman. To support his task, please submit your own work (if you are PhD student) or stimulate your students to submit their work (if you are faculty member) to the DC. Hope to see you in Ljubljana, Slovenia!



*Tammo H A Bijmolt*  
University of Groningen

## The 40th EMAC Conference Ljubljana, Slovenia

**»The Day After – Inspiration, Innovation, Implementation«  
Faculty of Economics, University of Ljubljana, Slovenia  
24–27 May 2011**

After the impressive 39th EMAC Conference in Copenhagen and some relaxing summer holidays, the Faculty of Economics at the University of Ljubljana ("FELU") is already preparing for the 40th jubilee EMAC Conference to be held in Ljubljana in May 2011.

The main topic of the conference is The Day After – Inspiration, Innovation, Implementation. We thereby seek to encourage you to research, write about and debate current world, social and economic changes in which marketing can play a major role in reshaping the (post) crisis and recession turbulence. We invite you to submit research and present views on how we perceive the role of marketing in these unstable times, how marketing can contribute more to innovative development, where to find inspiration for future development, which innovations are needed the most and how can we initiate them. What are we doing to ensure new knowledge, better performance along with higher satisfaction and trust levels among all marketing stakeholders? In all marketing fields we need to find answers for "the day after" and decide which changes will create our future and well-being.

You can already find more about the topic, the call for papers, tracks, SIGs and a host of other interesting information at [www.emac2011.org](http://www.emac2011.org).

### Where are we inviting you to?

To Slovenia, a European country often called »a bridge between the

East and West«. Slovenia was the most developed republic of former Yugoslavia and today it is often hailed as a Balkan success story. Its geographical location along Europe's virtual centre-line sees the country linking east and west and that is what makes it strategically well-positioned.

### Slovenia

Area: 20, 273 sq.km

2 million inhabitants

EU, NATO and OECD member

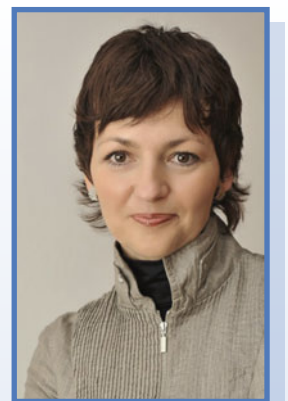
Euro currency

47% of the population know the English language

Capital city: Ljubljana

According to the Global Competitiveness Report 2009–10 (WEF), Slovenia is included among innovation-driven economies. It provides a good business environment and entrepreneurial atmosphere, focuses on the development of knowledge and technology, integrates sustainability and social responsibility and, with its vast natural heritage, aims to continue being a green and clean, tourist-oriented country which promotes a good life and well-being (also see [www.SloveniaPartner.com](http://www.SloveniaPartner.com)).

Taurus, the World's first side-by-side ultralight powered glider / Pi-pistrel





Gorenje Ora-Īto Kitchen White Collection / Gorenje



Bivouac in Slovenian Alps / Trimo



During the conference we will also try to share this spirit with you. We will take you on a tour through the capital city of Ljubljana, offer you an excursion to Postojna cave, one of the most impressive caves in Europe, and enable you to visit our seaside, lake area and other parts of the country. Being small brings the convenience of being close to the country's many different interesting locations and scenery. So, come prepared!



Lively, spring streets of Ljubljana

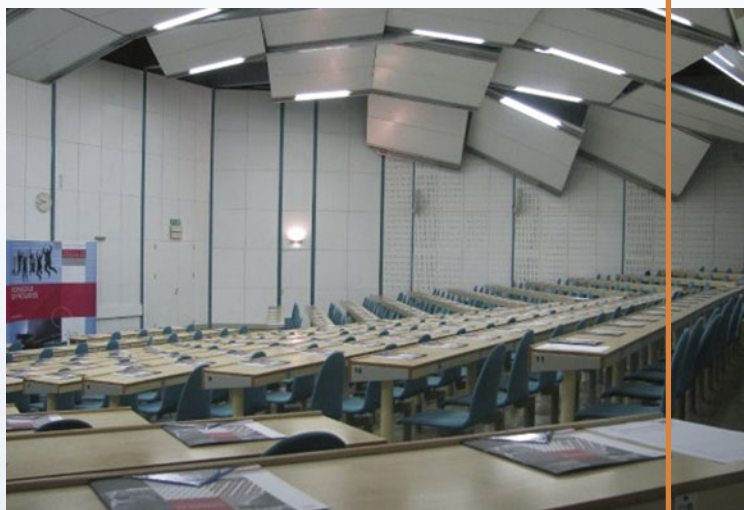
**Who will be your host?**

The Faculty of Economics at the University of Ljubljana, the leading institution in higher education in both Slovenia and the region in the fields of economics and business ([www.ef.uni-lj.si/en](http://www.ef.uni-lj.si/en)). The FELU has close ties with the business community and is intensively integrated into economic

policy-making as well as the shaping of higher education in Slovenia and beyond, while aiming to offer the best knowledge to its students. Knowledge for progress, based on research excellence and internationalisation, is also a key driver of the Marketing Department's activities. The FELU conducts Marketing programmes in English language at all three levels of studies, from undergraduate to doctoral. The entire department is involved in preparations for the 40th EMAC Conference and, together with the dedicated organising team, we will do our best to ensure you are an engaged conference participant and satisfied visitor to Slovenia.



One of the FELU's classrooms



One of the FELU's halls



Main entrance to the FELU

**See you soon in Ljubljana!**

**Maja Makovec Brencic**

Conference Chair



# Marketing Department Heads Forum



Quite some time ago, European scholars started to submit their best research papers to inter-national journals and, hence, publishing in the best journals may be regarded as a truly global competition. Subsequently, academics initiated cooperation with peers abroad and nowadays it has become common practice for young as well as more senior researchers to spend some time at a university outside their home countries. In addition, European politicians identified student exchange programs as a means to promote cultural open-mindedness, cross-national friendship and European integration and thus provided funding for this matter (e.g., the EU-Socrates program) as well as legislative assistance (e.g., Bologna declaration and subsequent national regulations) to stimulate student and teacher mobility. Taken together, university systems, especially within Europe, have reduced their national focus and are becoming more open towards international trends these days. As a consequence, competition to hire excellent researchers, employ outstanding teachers and attract bright students has increased substantially within the last decade.

Up to now, EMAC has primarily tried to serve the European Marketing community by focusing on research issues, i.e., by organizing conferences and by publishing the scientific journal IJRM. It has been decided to extend these activities by offering a forum of exchange for heads of marketing departments. The basic underlying idea is to establish a platform targeted towards the needs of academic officers who are confronted with the increasing globalization outlined above.

So far, the following two initiatives have been undertaken:

## A) SURVEY

We launched a survey, with the assistance of Ms Lamprini Piha, doctoral candidate at the Athens University of Economics & Business, to identify whether there is a need of such kind of service among EMAC's members. National representatives provided the names of heads of marketing departments within their countries. Data collection was conducted via e-mail and 55 colleagues responded (response rate of 12%). The questionnaire addressed several issues, the most important results are provided in the sequence:

### • Accomplishments of the marketing department over the past three to five years

Half of the respondents consider publications made in leading scientific journals as one of the top accomplishments of their group as well as well as increasing research activities in general, a fact that is straightly related to an increase in research funding obtained. Other accomplishments are the recruitment of highly competent staff, the improvement of the teaching program and the employability of PhD students.

### • Means of assessing performance

Consistently, the number (quantity) of publications in scholarly journals and the reputation of these journals (quality) serve as a measure of research performance. In addition, active conference participation and acquisition of research funding are performance indicators.

Teaching performance is assessed by looking at student satisfaction and evaluation surveys.

### • Typical problems encountered

Shortages of economic resources, lack of time due to teaching and administrative over-load are mentioned as major obstacles restraining from high quality research. Other problems stated are the lack of sound research training and methodological competence, the difficulties in recruiting bright doctoral students and keeping the best of them within academia, and the diminishing interest of practitioners for the research results achieved.

Teaching is challenged because of increasing teaching load, bureaucratic requirements and lack of time for supervising students individually. There is also some consensus about negative consequences of the new Bologna system and the deterioration of pre-qualification of students.

### • Future challenges

In line with the problems mentioned before, the main challenges that are revealed are increasing quantity and quality of research output and at the same time acquiring necessary funding, ameliorating teaching standards, decreasing bureaucracy, developing closer links with business, and creating international academic networks.

### • Benchmarking

Rather than identifying certain departments viewed as best in class, respondents mention benchmarking criteria such as conducting outstanding research (in terms of significance of results, publication media, fun-

ding), commitment towards junior faculty training and transfer of marketing theory into practice (either in terms of well trained students who successfully apply in their companies what they learned at their universities or in terms of direct cooperation between marketing faculty and business).

Almost ninety percent of the respondents regard the number of articles published in native language and in English on a yearly basis as specific benchmark they would like to know. In addition, teaching load and salaries at different levels would be helpful.

### • Potential of a marketing department heads forum

Given a seven-point scale, respondents believe that a marketing department heads forum would provide a perspective of the challenges and opportunities of marketing across Europe (mean: 5.6), would be a great opportunity for sharing and exchanging knowledge about best-practice between European marketing departments (mean: 5.6), and would create closer relations between European marketing departments (mean: 5.4). In addition, they think that the forum would probably motivate European marketing departments towards improving their groups' performance (mean: 4.9), and help promote the European marketing discipline (mean: 4.8).

## B) MEETING

Delegates of this year's EMAC conference in Copenhagen were invited to attend a meeting to further discuss the idea of a marketing department heads forum. About twenty colleagues participated. After presenting the results of the survey and intensive discussion, consensus was reached that EMAC should continue with these activities. In particular, the following steps will be undertaken:

### (1) Establishing a data base of persons interested in this forum

At first, we intend to identify everybody who is dealing with matters typical for a department head and who is interested in active or passive participation. This group should be encouraged to interact with each other in case somebody needs help in solving a problem, which might have occurred already elsewhere, i.e. some kind of networking. Subsequently, a systematic data base is envisaged, which contains helpful information for decision making as a department head (e.g., salary systems and career opportunities, hiring criteria, promotion systems, research incentives for academics from different universities; academic job market information; funding issues of research projects and conference participation; curricula; student selection at different levels; exchange activities for faculty and students).

### (2) Organizing the next meeting of this forum at EMAC 2011 conference in Ljubljana

It was decided to organize a follow-up meeting of this group in Ljubljana. This time, the agenda will be more structured as discussion will focus on "Career developments for academics" because this topic appeared to be most interesting for the participants of the Copenhagen meeting. There will be some input from delegates from different countries to stimulate subsequent discussion.

### (3) Identifying most pressing topics for further meetings

Thinking about potential meetings in the future, topics which are regarded most relevant for subsequent meetings should be identified. These meetings might be organized in the same format as hitherto (within the yearly EMAC conference) or more frequently if this is deemed appropriate.

Currently, the participants of this year's meeting in Copenhagen are asked to fill out a short questionnaire to add more structure to the next step to be undertaken according to (1)-(3) above. We kindly invite colleagues interested in this activity to join: please, contact Nina Payen (payen@eiasm.be) and she will put you on the mailing list and you will receive information about further activities.

**Udo Wagner**  
EMAC Vice President, Membership

**George J. Avlonitis**  
Past President EMAC

## Country Tales



# Marketing in Ireland: Looking Back Looking Forward

Despite its small size, Ireland has a long tradition of scholarship in the field of marketing. In the 1970s, marketing began to appear on the curricula in some of Ireland's major universities particularly University College Dublin (UCD) and NUI Galway and during this period some meetings were convened where academics in these and other institutions discussed issues surrounding the teaching of this new subject area. These meetings then morphed into the Irish Marketing Teachers Association (IMTA) annual conference – the first of which was hosted by the University of Limerick in 1981.

IMTA was an entity that was certainly ahead of its time. It was truly a virtual organisation with no executive, no administrative structure and no locus. The 'association' only became active with the annual conference which evolved to draw together academics from universities and institutes of technology in both the North and southern parts of Ireland. The host institution decided the agenda – on some occasions the focus was teaching, on others it was research and on others it was about marketing practice whereby most of the speakers were practitioners. In the time-honoured tradition, decisions about who would host the next conference would be decided over dinner where in very convivial surroundings, volunteers would emerge or be cajoled or be nominated!!

This flexible structure had many merits. It generated a holistic approach to content – research was not favoured over teaching, scholarship was not favoured over practice. Some speakers were invited while others presented their research work giving rise to a diversity of insights and the avoidance of a limited set of criteria through which work was judged. But virtual organisations also have their limitations too and IMTA began to decline in popularity as scholars switched their attention to bigger international conferences such as EMAC and the Academy of Marketing and to publication in the ever increasing range of marketing journals being developed. Without a permanent presence to drive it, IMTA has only met intermittently in recent years.

This heritage informs current marketing scholarship in Ireland which could be described as being characterised by a broad epistemology, a diversity of priorities and a high level of attention to both teaching and practice. That these patterns have endured has also been greatly assisted by the relatively slow pace of change to the context in which Irish academics operate. Universities are still primarily state-funded, based on student numbers and a traditional tenure-based system of employment still operates. While there has been a greater public push towards more and better research output, the approach taken in Ireland has been different to that in some other countries (with the exception of universities in Northern Ireland who operate within the UK Research Assessment Exercise). The Programme for Research in Third-Level Institutions (PRTLTI) was launched in 1998 and in the four cycles since then has invested €865million in research activity throughout the university sector with business schools obtaining a relatively small percentage of this funding. Awards are made on the basis of proposals submitted (or inputs) rather than research outputs per se though these obviously play a key part in successful bids. This has generated a focus on the creation of research centres or institutes as well as a high level of collaboration between institutions rather than a focus on publication in top journals at an individual level which is the priority in many other countries. An example of this kind of research activity is the Centre for Innovation and Structural Change (CISC) which is based at NUI Galway. This is an umbrella research institute providing a multidisciplinary examination of innovative and structural change.

Among its priority areas that are of interest to marketing scholars are industry clustering, internationally traded services and inter-organisational systems and a key objective of CISC is to transfer this knowledge to stakeholders groups such as business and the public sector.

Outside of the PRTLTI framework, a number of other research centres and groups have been emerging. In particular, the field of consumer studies appears to be gaining quite a bit of momentum with Irish marketing scholars. For example, the Centre for Consumption Studies (CCS), which is located at DCU Business School, is an international collaborative venture involving partners from the UK and a variety of interested researchers from within and outside Ireland. Its focus is primarily on the study of consumption, identity and consumer culture. Similarly, the Centre for Consumption and Leisure Studies (CLS) based at the Dublin Institute of Technology is also an interdisciplinary gathering of scholars from both inside and outside Ireland with an interest in providing a greater understanding of the practices, meanings and emotions involved in consumption. Across the broader field of marketing, funded international research programmes are also taking place at the University of Limerick (Competitive Positioning in Higher Education), University College, Dublin (The Marketing Studies Programme) and the Waterford Institute of Technology (Private Label Branding) to mention but a few. The Irish Marketing Review which published its first issue in the Spring 1986 remains a popular outlet for scholarly work by Irish as well as international contributors.

As noted above, pedagogy is high on the Irish academic agenda as evidenced by the range of interesting taught programmes which have been developed over the years. In the 1980s, two particularly innovative postgraduate courses were developed in NUI Galway and UCD which sought to build links between the study of marketing and the practice of the profession. In their different ways, these programmes aimed to give graduates the practical experience of working with organisations while at the same time receiving tuition and support. Their popularity with graduates and employers continues to be high and newly launched programmes such as the MBS in Management and Marketing at University College Cork contain a significant work placement element. Other recent innovations at the postgraduate level reflect the broader, multidisciplinary approach to scholarship described above. For example, the University of Limerick's MSc. in Marketing, Consumption and Society expands the scope of marketing coverage to include consumption and also the important topical questions of sustainability and societal impact.

Despite, Ireland's well publicised economic difficulties which have added significant challenges for the higher education sector, marketing scholarship continues to benefit from a relatively stable environment, innovations in research and teaching and a high level of student demand. The holistic approach adopted by many academics here remains one of the country's distinguishing features.

**John Fahy**  
EMAC National Representative for Ireland



# The 3 eras of marketing in Serbia

With its 7.5 million inhabitants Serbia finds itself among several other small countries of the Western Balkans. To its north and west the country borders new EU member-states, Hungary, Romania and Bulgaria.

Serbia today is considered a newly developing market which has been going through the process of transition since the beginning of the nineties. The country's economic heritage is similar to those of other former socialist economies in Eastern Europe.

However, while conditions for development were not particularly favorable in the times of central planning, marketing in Serbia began to develop long before the official start of transition to a market economy. If we trace back marketing thought and practices in Serbia through the last century we can distinguish three historical periods, with different levels of its development. These are the rising marketing era, the socialist marketing era and the transition marketing era.

In the rising marketing era (1900–1945) both marketing practices and education in Serbia were predominantly related to advertising. The first publication titled Advertising and its importance for trading appeared at the beginning of the 20th century in the capital of Belgrade. It was followed by several specialized journals and magazines published in the first third of the twentieth century dedicated exclusively to advertisers. In the same period, a local entrepreneur opened the first advertising agency in Belgrade. Several handbooks and textbooks on advertising and marketing were published (e.g. How to Create Advertising Messages and Selling and advertising skills). Moreover, two marketing related courses – Studies of Advertising and Economic Publicity were included as early as in 1937 in the curriculum of the newly opened High School for Economy and Commerce (now Faculty of Economics, University of Belgrade).

In contrast to the previous era the socialist marketing era (1946 – 1989) was initially characterized by no mention of commercial or consumer related issues (including advertising) for almost two decades. This attitude toward marketing originated in the accepted economic system of the times, which was primarily based on central planning. Only after the country's leaders finally abandoned the idea of five-year production plans was solid ground opened for further development of marketing in Serbia. Since the beginning of the 1960s the marketing community in Serbia has grown rapidly. The first marketing related association, the Association of Serbian Advertisers (UEPS) was founded in Belgrade in 1960. Under the umbrella of this association a number of educational seminars, exhibitions and other promotional activities were organized, and a professional magazine for advertising specialists was published. Soon after (1968) the first marketing association (Yugoslav Marketing Association – YUMA) was founded at the initiative of several marketing scholars from the University of Belgrade (Serbia) and the University of Zagreb (Croatia). In 1975, a separate Marketing Society of Serbia was established as a constituent part of YUMA. The association actively promoted marketing principles in the eighties. Additionally, a number of professional courses and annual academic conferences aimed at further development of marketing education, theory and practice in Serbia.

University-based marketing education was established by the mid-seventies. By 1974 marketing was included in the academic curricula of both undergraduate and graduate levels at the Faculty of Economics of the University of Belgrade. The first university marketing textbook in Serbian (Marketing) was published in 1973, authored by one of the founding fathers of YUMA, Professor Momcilo Milisavljevic of the Faculty of Economics at the University of Belgrade. The first Marketing Lexicon was published in Belgrade in 1977.

However, at the time practical marketing developed at slower pace. A few advertising bureaus and agencies operated, mostly as separate departments within media outlets and printing houses offering services in the creative presentation of advertising messages for clients. Marketing departments within companies were rare, while educated marketing professionals were mostly engaged within the commercial sector.

The transition marketing era (1990 to the present) started in Serbia simultaneously with the beginning of democratic and market reforms (the process of transition) in Eastern Europe. As already noted, marketing was not an entirely novel concept in Serbia at that time. A number of state universities had already included marketing and related fields (predominantly advertising, marketing communications, international marketing, consumer behavior and market research) in their curricula, while offering majors in marketing both at undergraduate and graduate levels.

However, this was the period of a rapid growth of both employment and educational opportunities in the field of marketing in Serbia. Foreign companies began entering the market, bringing new standards to business. Local companies adapted to these standards to the point that it has become almost impossible to imagine a serious market player without a separate marketing sector in their organizational structure. Marketing agencies – including advertising creative, production, media buying, mar-

ket research and consultancy agencies – have flourished. The biggest international marketing agencies present in Serbia now include McCann Erickson, Gray Worldwide, Leo Burnett and Publicis.

New employment opportunities and a lack of well-educated marketing professionals have steadily driven up the number of students pursuing marketing as a major. Therefore, virtually all state universities (Universities of Belgrade, Novi Sad, Nis, Kragujevac, and Novi Pazar) have developed their marketing curricula to offer marketing majors at all levels of studies (bachelor, master, PhD). Additionally, marketing majors are also available at several private universities (Metropolitan University in Belgrade, Alpha University in Belgrade, European University in Belgrade, Edukons University in Novi Sad, Megatrend University in Belgrade, New York University in Belgrade, Business Academy in Novi Sad, Singidunum University in Belgrade and Union University in Belgrade).

At some private universities separate schools specializing in the field of marketing have been established (e.g. The Faculty for European Business and Marketing – European University in Belgrade) while marketing majors at state universities are generally offered by faculties of economics or engineering (e.g. The Faculty of organizational Sciences of the University of Belgrade). At state universities, marketing curricula are developed either within separate marketing departments (e.g. The Faculty of Economics in Subotica – University of Novi Sad; and The Faculty of organizational Sciences of the University of Belgrade) or within departments for business economics and management (e.g. The Faculty of Economics – University of Kragujevac; and The Faculty of Economics – University of Belgrade).

A number of marketing fields have become an integral part of marketing major curricula at almost all state and private universities. These include principles of marketing, consumer behavior, international marketing, advertising, marketing communications, integrated marketing communications, marketing research, as well as several more specialized disciplines such as trade marketing, services marketing, tourism marketing, business-to-business marketing, marketing logistics, branding, customer relationship management, and public relations. In keeping with the previous period of socialist marketing it is worth noting that a pragmatic orientation of marketing education in Serbia still prevails. At virtually all universities there is a lack of courses in marketing theory, policy, ethics, and marketing planning. Marketing curricula are shaped to develop students' skills in applying particular marketing tools, rather than on theoretical approaches and further theory building. Teaching methodologies here mainly incorporate case-study analysis, role playing, simulations, and problem solving while working in small project teams, in an effort to prepare students for real life situations in their future marketing careers.

In addition to teaching responsibilities, professors of marketing at Serbian universities have been expected to contribute to further theory development by publishing books and articles in the field. However, more credit has been given to publishing within the state than abroad. As a result, only a few articles authored by Serbian scholars can be found today in international journals listed in the most important data bases such as EBSCO and Pro Quest. This approach has recently been changed, as the Ministry of Science in Serbia has adopted new criteria according to which faculty members are expected to publish in international peer-reviewed journals abroad.

Marketing associations in Serbia today include the fifty-year-old Association of Serbian Advertisers (UEPS) and the new Serbian Marketing Association (SEMA). The latter was officially founded in 2007 as a successor to the Yugoslav Marketing Association (YUMA) and Marketing Society of Serbia. Though SEMA is open for both marketing educators and professionals, almost all its founders and vast majority of its present membership have been recruited from faculty members of both state and private universities. Marketing, the official peer-reviewed journal of SEMA, is published quarterly. In addition to this, in 2010 Serbia developed a new EMAC community consisting of eight members, all of whom are younger faculty members affiliated with the University of Belgrade (Faculty of Economics and Faculty of Organizational Sciences).



**Galjina Ognjanov**  
EMAC National Representative for Serbia

## News from the EMAC Fellows.

Three EMAC Fellows have retired during the summer, and will therefore become Honorary EMAC Fellows: Graham Hooley, John Saunders, and Berend Wierenga. EMAC thanks them very deeply for their distinguished service to the association: all three of them have been President of EMAC; John and Berend have also been editors of our flagship journal, the International Journal of Research in Marketing. As a consequence, two new EMAC Fellows will be co-opted. Susan Douglas, who was the first Dean of EMAC Fellows, and Gilles Laurent, who is the current Dean of EMAC Fellows (succeeding Berend Wierenga) are in charge of organizing the election.

*Gilles Laurent*  
New Dean of EMAC Fellows



## EIASM

### Moving European Doctoral Education in Management to a new era ...



The doctoral education scene in Europe is changing in almost every country, at almost every university, in almost every scientific discipline. This was also articulated by a number of our Academic Council Members on the occasion of some previous EIASM meetings. A number of these changes and challenges were obviously triggered by the third cycle of the Bologna process.

In 1971, at the very beginning of EIASM's activities, the Institute already invested a major part of its resources in the enhancement of the level and the quality of doctoral education in management in Europe. Individual tutoring together with general doctoral tutorials were the principal instruments. Since 1985 when the EDEN programme was launched, 3,278 PhD students participated in these high-level intensive seminars. The faculty for these seminars was and is composed of over 250 world wide recognized experts in the various management disciplines. EDEN was created and still functions as a complement to every school's individual doctoral programme. It provides not only an international faculty, but also a truly European dimension, and an excellent introduction to the various international networks in the field. With the same vigour and the same enthusiasm, EIASM now wants to assume its role as the platform in Europe where the changes, challenges and new opportunities for doctoral education can be discussed, developed, tested and evaluated. Together with the members of our Academic Council and some of our associations we are designing a series of activities that will be the tools and the criteria that can be used in these developments.

The EIASM's Academic Council is a network of distinguished schools and universities. It offers a forum for the exchange of information between member institutions.

If you would like to know more about the European Institute, visit our website at: <http://www.eiasm.org>

*Gerry VAN DYCK*  
EIASM Secretary General



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## AIMS AND ACTIVITIES

The European Marketing Academy (EMAC) was established in 1975.

The Academy is a professional society for people involved or interested in marketing theory and research. Its aims are to serve as the core of a communication network for disseminating information and promoting international exchange in the field of marketing. EMAC Membership is open to individuals both from Europe and elsewhere. At present, the Academy has more than 1000 members from more than 57 different countries in all five continents.

EMAC organises an Annual Conference which is hosted by major universities or scientific institutes all over Europe. It provides a forum for the presentation and discussion of research projects in various stages of development. In conjunction with this Annual Conference, a Doctoral Colloquium for Students in Marketing is held in the same week at the same place. Several other conferences are organised in cooperation with other leading marketing associations. EMAC has launched this year in 2010 its first Regional Conference. The aim is to attract people from specific regions and help research in specific fields of marketing.

In order to keep the membership informed of its activities as well as other activities in the field, the Academy publishes the EMAC Chronicle twice a year and the Electronic EMAC Newsletter four times a year. Apart from conveying information on trends in the field, these publications are also a "clearing" device for the dissemination of information on on-going and completed research, teaching material, job vacancies, etc. The Academy edits the International Journal of Research in Marketing. The editorial board of this major marketing publication consists of leading researchers from all over the world. Other publications are planned.

Do you teach? Do you research? Do you want to be kept informed in the marketing area? In that case you should join the Academy. It is an association for everybody with a professional interest in the field.

For more information on the Academy, please contact the EMAC Secretariat.

### EMAC Chronicle

is a service to members of EMAC

Editors in Charge:

George J. Avlonitis

Veronica Wong

Nina Payen EMAC Secretariat:

c/o EIASM

Place de Brouckère 31

1000 Brussels

Belgium

Tel : 32 2 226 66 60

Fax : Fax: + 32-2-512.19.29

E-mail: [emac@eiasm.be](mailto:emac@eiasm.be)