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Stand-Alone Ethics, Social Responsibility and Sustainability Course Requirements

Sharyn R. Rundle-Thiele

This article analyzes the extent to which Australian and New Zealand marketing educators use dedicated or stand-alone courses to equip students with alternative views of business. A census of marketing programs in degree-granting universities was conducted. Program brochures were obtained via the Internet and were content analyzed. This study reports a lower proportion of universities requiring students to take a course dedicated to society and environmental issues than previous studies have. Only 27% of universities in Australia required students to take a dedicated ethics, social responsibility and/or sustainability course. Only 8% of universities offered a dedicated core marketing ethical or social responsibility course. Previous sample estimates may have overstated ethical, social responsibility and sustainability course requirements. There is considerable room for improvement in Australia and New Zealand if universities are to equip their students with the skills, knowledge and ideas to benefit themselves, the organizations they choose to work for and society as a whole. (*Journal of Marketing Education* 32 (1): 5-12, 2010; doi: 10.1177/0273475309345002)

Transforming the Initial Marketing Education Experience

Mark R. Young

Marketing education today is facing significant challenges in attracting and retaining high-quality students. The focus of this article is to advocate engaging 1st-year students in the practice of marketing to help develop their identity as a marketing major, to see the relevance of their studies and to enhance their thinking and self-regulating learning skills. Action Learning is offered as a pedagogy capable of transforming the initial introduction to marketing experience into a highly motivating and engaging course. An innovative Marketing 101 course is described in which freshman undertake multiple cycles of analyzing, planning, implementing and controlling marketing strategies in an on-campus coffee house. (*Journal of Marketing Education* 32 (1): 13-24, 2010; doi: 10.1177/0273475309335353)

Cash for Comment

Mathew Chylinski

An unconditioned stimulus in the form of "participation money" serves to keep track of students' comments during class discussions and extrinsically to reinforce

their class participation behaviors. Using a longitudinal experiment to investigate the effect of the participation money stimulus on several education outcomes, the author finds that the stimulus increases the number of comments during weekly class discussions, as perceived by both instructors and students. This increased class participation has a positive effect on students' experience and perceived understanding of course material, as well as the social atmosphere during class discussions. The findings thus have important implications for marketing educators. (*Journal of Marketing Education* 32 (1): 25-38, 2010; doi: 10.1177/0273475309335586)

Are Student Groups Dysfunctional?

Kenneth J. Chapman, Matthew L. Meuter, Daniel Toy and Lauren K. Wright

In today's business world, the ability to work efficiently and effectively in a team is mandatory to a business student's success. Many employers rank "ability to work with a group" as one of the most important attributes for hiring business school graduates. Although an abundance of research has investigated group processes and dynamics during student group projects, no studies to date have specifically examined how instructors perceive the way in which students operate within their groups. The primary goal of this research is to address how student views regarding group work compare to those of their instructors. The results indicate that there are significant gaps between students' opinions of their team experiences and the perceptions of the faculty who assign the group activities. The findings have implications for the use of team projects and the attitudes and behaviors instructors have regarding the efficacy of student groups. (*Journal of Marketing Education* 32 (1): 39-49, 2010; doi: 10.1177/0273475309335575)

Educational Blogging

Melike Demirbag Kaplan, Burak Piskin and Beste Bol

The major challenge of marketing education is that the discipline continually reinvents itself. Marketing approaches and practices once new rapidly become old and many texts grow outdated in a short period of time, increasing the pressure on the instructors to provide the students with the latest knowledge. The changing environment of business necessitates the integration of innovative tools into the curriculum to enhance experiential learning and develop soft skills. This article presents the adaptation of blogging as an innovative approach for building and improving necessary marketing skills. This approach requires the students to

maintain blogs where, as part of the Marketing Management course, they can write about "anything marketing," such as recent campaigns, commercials, new products, or their own marketing-related experiences to provide an experiential exercise in marketing and produce significant improvements in students' soft skills. This article offers a detailed discussion of such outcomes based on qualitative and quantitative evidence. (*Journal of Marketing Education* 32 (1): 50-63, 2010; *doi*: 10.1177/0273475309335652)

Historical Perspectives in Marketing Education

Ed Petkus, Jr

This article provides a justification and an implementation plan for the establishment of a historical orientation across the undergraduate marketing curriculum. The justification for the historical perspective addresses three areas: tapping into the extensive body of knowledge in marketing history, practical implications and critical thinking. The implementation plan involves recommendations drawing on two pedagogical approaches: (a) the degree to which topical marketing history can be infused into the marketing curriculum and (b) the development of a general historical perspective across marketing topics and courses (i.e., the role of marketing in history) by specifying historical contexts that are relevant to particular courses. General information on historical research methods in marketing is offered and an example of a historical case analysis that illustrates a potential way to generate concrete practical outcomes from the historical context of marketing is included. Results of a survey of students show favorable responses to the discussion of the historical context of marketing in a senior-level marketing course. (*Journal of Marketing Education* 32 (1): 64-74, 2010; *doi*: 10.1177/0273475309335587)

Comprehensive Analysis of Marketing Journal Rankings

Michelle D. Steward and Bruce R. Lewis

The purpose of this study is to offer a comprehensive assessment of journal standings in Marketing from two perspectives. The discipline perspective of rankings is obtained from a collection of published journal ranking studies during the past 15 years. The studies in the published ranking stream are assessed for reliability by examining internal correlations within the set. Aggregate rankings are presented from the published ranking stream, as well as from the two predominant ranking approaches used in these studies (opinion surveys and citation analyses). A new data source for journal rankings is introduced—the actual in-house target

journal lists used by a sample of Association to Advance Collegiate Schools of Business (AACSB)-accredited schools to evaluate faculty research, representing an institutional perspective. The aggregate journal rankings from these lists are presented, as well as the rankings in two subsegments of the sample (US/non-US and doctoral/nondoctoral). The publications from the discipline perspective are compared to data from the in-house target journal lists actually used by AACSB-accredited schools. A full set of rankings across both data sets (school lists and the published article stream) is presented and differences are discussed. (*Journal of Marketing Education* 32 (1): 75-92, 2010; doi: 10.1177/0273475309344804)

Learning to Click

Elaine Williamson Sprague and Darren W. Dahl

The incorporation of personal response system (PRS) clickers into teaching pedagogy has created implications for teaching practice and student satisfaction. Using a current undergraduate business student population, the authors measure student attitudes and preferences and identify student performance outcomes relating to the use of PRS clickers. Study results validate the broad applicability of this technology by showing positive student attitudes, learning experiences and the mitigation of barriers toward acceptance of this technology. Importantly, measures of student performance correlate to self-reported learning outcomes realized through using PRS clickers. The study also finds evidence that PRS clickers benefit those students who are frequently disadvantaged in the classroom. Specifically, students with a low need for cognition or facing cultural barriers are shown to have a better learning experience when using clicker technology. The article concludes with recommendations on applying PRS clicker technology to teaching practice and identifies areas for future investigation. (*Journal of Marketing Education* 32 (1): 93-103, 2010; doi: 10.1177/0273475309344806)

Shared Responsibility and Student Learning

Jeremy J. Sierra

In academia, interdependence or shared responsibility between instructor and student is an essential part of the educational process, yet research examining its effect on student responses toward their learning experience is scant. To offer insight into this context, two studies are developed. Study 1 finds that perceptions of shared responsibility for student learning are positively related to attitudinal, emotional and behavioral responses toward the marketing education experience.

Study 2 finds that shared responsibility relates positively to grade earned in the course. Implications for marketing academicians are discussed. (*Journal of Marketing Education* 32 (1): 104-111, 2010; **doi:** 10.1177/0273475309344802)

The proximity effect: The role of inter-item distance on reverse-item bias

Bert Weijters, Maggie Geuens and Niels Schillewaert

This paper introduces the proximity effect model. The proximity effect model explains the correlation between two items as a function of (1) items' conceptual relationship (i.e., nonreversed items measuring the same construct; reversed items measuring the same construct; or items measuring unrelated constructs) and (2) items' proximity in a questionnaire. The proximity effect model draws from the belief-sampling literature. We first conduct cognitive interviews to better understand the ways that respondents process items in a questionnaire depending on items' conceptual relationships and proximity. Next, we quantitatively test the resultant model using primary data ($N = 3114$). Finally, we use simulated correlation matrices to assess the impact of the proximity effect on factor structure and reliability. The results indicate that the (positive) correlation between a nonreversed item pair decreases with increasing inter-item distance. In contrast, the (negative) correlation between reversed item pairs decreases (i.e., becomes stronger) with increasing inter-item distance. This is partly due to the fact that respondents tend to minimize retrieval of additional information when answering nearby nonreversed items and they tend to maximize retrieval of new and different information when answering nearby reversed items. The proximity effect model leads to a set of key recommendations pertaining to questionnaire construction (i.e., the use of reversed items dispersed throughout the questionnaire) and data analysis (i.e., the use of a confirmatory factor analysis model specification including a response style factor). (*International Journal of Research in Marketing* 26 (1): 2-12, 2008; **doi:** 10.1016/j.ijresmar.2008.09.003)

Creating lift versus building the base: Current trends in marketing dynamics

Peter S.H. Leeflang, Tammo H.A. Bijmolt, Jenny van Doorn, Dominique M. Hanssens, Harald J. van Heerde, Peter C. Verhoef and Jaap E. Wieringa

Markets are dynamic by nature and marketing efforts can be directed to stimulate, reduce, or to utilize these dynamics. The field of marketing dynamics aims at

modeling the effects of marketing actions and policies on short-term performance (“lift”) and on long-term performance (“base”). One of the core questions within this field is: “How do marketing efforts affect outcome metrics such as revenues, profits, or shareholder value over time?” Developments in statistical modeling and new data sources allow marketing scientists to provide increasingly comprehensive answers to this question. We present an outlook on developments in modeling marketing dynamics and specify research directions. (*International Journal of Research in Marketing* 26 (1): 13-20, 2009; doi: 10.1016/j.ijresmar.2008.06.006)

Marketing agencies, media experts and sales agents: Helping competitive firms improve the effectiveness of marketing

David A. Soberman

A major challenge for marketers is how to spend a marketing budget such that the impact on a target market is maximized. There are numerous organizations including marketing agencies, media experts and sales agents that promise to deliver more impact for the money a firm allocates to marketing. The service that these organizations offer are to organize and coordinate spending such that a higher fraction of the potential market is effectively reached by a firm's marketing effort. My objective is to understand the optimal strategy that marketing agencies, media experts and sales agents should use to sell these services. In particular, I analyze how these services should be priced and whether a seller gains by selling such services exclusively. The model consists of a seller of marketing services and two symmetric firms that compete in a differentiated market. A downstream firm that purchases the services reaches a higher fraction of the potential market due to the efficiency provided by the services. The analysis shows that the optimal selling strategy for the services is a function of three factors: a) the degree of differentiation between firms, b) the fraction of the target that is reached by firms (prior to using the seller's services) and c) the increase in “reach” provided by the seller's services. Non-exclusive selling is likely to be optimal, the less that downstream firms compete with each other due to strong differentiation in the downstream market or a low level of overlap in the customers reached by the marketing of each downstream firm. In contrast, exclusive selling is advantageous when many customers have been reached by the marketing of both firms or the level of differentiation between the firms is low. Surprisingly, in many situations, the seller's profit is inversely related to the level of differentiation. (*International Journal of Research in Marketing* 26 (1): 21-33, 2009; doi: 10.1016/j.ijresmar.2008.05.003)

Synchrony effects on customers' responses and behaviors

Jacob Hornik and Giulia Miniero

Past research demonstrates that most people have a certain time of day when they are most alert and able to perform at their best. The authors investigate the effect of consumers' "morningness"—"eveningness" orientation and time of day on their performance. Two experiments explore whether synchrony between peak circadian periods and time of testing influences consumers' performance. Results suggest robust synchrony and time-of-day effects on the dependent variables. Study 1 shows that circadian rhythm strongly influences customers' waiting time and service evaluations. The use of signal-detection methods in Study 2 reveals that participants were better able to recall and recognize ads when tests were performed during their peak circadian time. Overall, subjects showed better performance at their peak than at their off-peak time of day. The authors discuss the theoretical significance of their findings and the managerial implications for marketing research and practice. (*International Journal of Research in Marketing* 26 (1): Pages 34-40, 2009; **doi:** 10.1016/j.ijresmar.2008.04.002)

Partner selection in B2B information service markets

Stefan Wuyts, Peter C. Verhoef and Remco Prins

This study investigates the impact of selection criteria associated with interpersonal interaction (such as good personal relationships) on supplier consideration. More specifically, it examines how the importance of these criteria depends upon service-related dimensions. This is an experimental study among client firms in the market research industry, which combines a conjoint and between-subjects design to lead to several new insights. First, while good personal relationships play an important role in the selection of a service provider, their impact increases if the service offering is subjective in nature, but it decreases if it is strategically important. Second, enriching the service offering with interpretation and advice is more important for subjective as well as for strategically important service offerings. Third, as to other selection criteria, the study results show some interesting differences between consideration and choice. Price has a substantive impact on choice alone, while a strong brand name is helpful for the service provider only in the consideration stage. (*International Journal of Research in Marketing* 26 (1): 41-51, 2009; **doi:** 10.1016/j.ijresmar.2008.07.008)

The profit implications of altruistic versus egoistic orientations for business-to-business exchanges

Ronald Paul Hill and Alison Watkins

This study significantly expands upon previous research by Hill and Watkins [Hill, Ronald Paul and Watkins, Alison, (2007), "A Simulation of Moral Behavior within Marketing Exchange Relationships," *Journal of the Academy of Marketing Science*, 35 (2), 417–429] involving business-to-business exchanges through the use of a more sophisticated simulation and a different theoretical orientation. Profitability implications for sellers and firms in the context of information sharing and dynamic firm adaptation are explored using *q*-learning evolutionary models and embedded artificial trading agents in a competitive environment. This method allows buyer agents to react to complex and evolving circumstances based on historical information about seller agents. The results suggest that sellers with more cooperative strategies are more profitable in the long run, especially when firms employ multiple agents. (*International Journal of Research in Marketing* 26 (1): 52-59, 2009; doi:10.1016/j.ijresmar.2008.07.007)

The effect of public commitment on resistance to persuasion: The influence of attitude certainty, issue importance, susceptibility to normative influence, preference for consistency and source proximity

Mahesh Gopinath and Prashanth U. Nyer

This study investigates the effect of public commitment on resistance to persuasion and on the roles played by attitude certainty, issue importance, susceptibility to normative influence (SNI), preference for consistency (PFC) and the proximity of the source of counter-attitudinal information in influencing the relationship between public commitment and resistance to attitude change. Using two studies based on experimental design, we confirm the moderating roles of SNI and reference group proximity as well as the mediating roles of attitude certainty and issue importance. Marketing implications are also discussed. (*International Journal of Research in Marketing* 26 (1): 60-68, 2009; doi: 10.1016/j.ijresmar.2008.08.003)

Demand-driven scheduling of movies in a multiplex

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

This paper is about a marketing decision support system in the movie industry. The decision support system of interest is a model that generates weekly movie

schedules in a multiplex movie theater. A movie schedule specifies, for each day of the week, on which screen(s) different movies will be played and at which time(s). The model integrates elements from marketing (the generation of demand figures) with approaches from operations research (the optimization procedure). Therefore, it consists of two parts: (i) conditional forecasts of the number of visitors per show for any possible starting time and (ii) a scheduling procedure that quickly finds a near optimal schedule (which can be demonstrated to be close to the optimal schedule). To generate this schedule, we formulate the “movie scheduling problem” as a generalized set partitioning problem. The latter is solved with an algorithm based on column generation techniques. We tested the combined demand forecasting/schedule optimization procedure in a multiplex in Amsterdam, generating movie schedules for fourteen weeks. The proposed model not only makes movie scheduling easier and less time consuming, but also generates schedules that attract more visitors than current “intuition-based” schedules. (*International Journal of Research in Marketing* 26 (2): 75-88, 2009; doi:10.1016/j.ijresmar.2008.09.004)

The moderating role of reward systems in the relationship between market orientation and new product performance in China

Yinghong (Susan) Wei and Kwaku Atuahene-Gima

Extant studies concerning the relationship between market orientation and new product performance have produced inconclusive results. Drawing on the contingency theory, the authors argue that one reason for these mixed results may be the lack of an appropriate reward system within the new product development process. This study theoretically and empirically examines the moderating role of reward systems in the relationship between market orientation and new product performance. The authors conducted interviews and surveys in China. The moderating effects suggest that Chinese firms should simultaneously use both a high-level, long-term-oriented reward system and a low-level, risk-taking reward system in order to enhance the positive effects of market orientation on new product performance. The results provide a more refined understanding of how the interplay between marketing and human resource management influences the implementation of market orientation and new product innovation. (*International Journal of Research in Marketing* 26 (2): 89-96, 2009; doi: 10.1016/j.ijresmar.2008.11.001)

A new measure of brand personality

Maggie Geuens, Bert Weijtersa and Kristof De Wulf

In response to criticism of brand personality measures that embrace other aspects besides brand personality, we developed a new brand personality measure consisting of personality items only. Belgian respondents ($n = 12,789$) participated in a study of 193 brands. The new scale consists of five factors that show an affinity with the Big Five human personality dimensions. Unlike existing scales, this new measure proved to be reliable for between-brand between-category comparisons, for between-brand within-category comparisons and for between-respondent comparisons. Moreover, the scale showed high test-retest reliability and cross-cultural validity (in the US and nine other European countries). (*International Journal of Research in Marketing* 26 (2): 97-107, 2009; *doi: 10.1016/j.ijresmar.2008.12.002*)

Hybrid individualized two-level choice-based conjoint (HIT-CBC): A new method for measuring preference structures with many attribute levels

Felix Eggers and Henrik Sattler

The authors introduce hybrid individualized two-level choice-based conjoint (HIT-CBC), which combines self-explicated preference measurement (SE) with choice-based conjoint analysis (CBC). The CBC part is adapted individually to a choice design that uses only the best and worst levels of each attribute identified in the SE phase. Prior knowledge about the best and worst levels allows HIT-CBC to generate an adaptive efficient (i.e., Pareto-optimal, balanced, orthogonal, minimally overlapping) choice design that is easy to implement. Whereas existing conjoint measurement approaches suffer from the number-of-levels effect, HIT-CBC avoids this problem because it reduces every attribute to two levels. Thus, HIT-CBC is appropriate for problems with many and imbalanced attribute levels. Furthermore, the transformation to the best and worst levels exemplifies a new and favorable way to account for consumer heterogeneity. In addition, HIT-CBC introduces the possibility of using individualized willingness-to-pay measures as price levels, which results in more flexibility for modeling demand functions (e.g., identifying price thresholds). A simulation study and an empirical study show the robust predictive validity of HIT-CBC compared with a standard CBC approach and illustrate the advantages of HIT-CBC with a pricing study. (*International Journal of Research in Marketing* 26 (2): 108-118, 2009; *doi: 10.1016/j.ijresmar.2009.01.002*)

Dynamic changepoints revisited: An evolving process model of new product sales

David A. Schweidel and Peter S. Fader

This paper posits a new framework to model the trial of and repeat purchasing of a new product. While much research has examined underlying shifts in consumer purchasing patterns, the typical assumption has been that the underlying purchasing process remains the same although the purchasing rate may change over time. Motivated by Fader, Hardie and Huang's development of a dynamic changepoint model [Fader, P. S., Hardie, B. G. S., & Huang, C. -Y. (2004). A Dynamic Changepoint Model for New Product Sales Forecasting. *Marketing Science*, 23 (1), 50–65], we consider an *evolving process* as consumers gain more experience with a new product. Our framework assumes that consumers progress through two purchasing states, becoming more regular in their inter-purchase times as they gain experience with the product through repeat purchases. More specifically, they move from an initial state of exponential purchasing to a “steady state” that is characterized by a more regular Erlang-2 timing distribution. The proposed model is very flexible and nests a number of existing models, enabling it to explain a wide range of observed behavioral patterns. We apply our evolving process model to the same datasets used by Fader, Hardie and Huang [Fader, P. S., Hardie, B. G. S., & Huang, C. -Y. (2004). A Dynamic Changepoint Model for New Product Sales Forecasting. *Marketing Science*, 23 (1), 50–65] and compare our results to a number of competing models. We find empirical evidence to support the use of a two-state model, since it yields relevant insights as well as improved empirical performance. We discuss the implications as they relate to forecasting new product sales. (*International Journal of Research in Marketing* 26 (2): 119-124, 2009; *doi*: 10.1016/j.ijresmar.2008.12.005)

The consumer's rent vs. buy decision in the rentailer

George Knox and Jehoshua Eliashberg

In this paper, we focus on the perspective and business model of the rentailer—a retail outlet that rents and sells new and used home video titles. This requires predicting the consumer's decision to rent or buy a particular title, segmenting its customer base and pricing new and used titles. We develop a new model based on a simple heuristic found in the behavioral marketing literature of how people predict their own usage of a service. We estimate the model using a unique panel dataset obtained from a large rentailer and find it provides a good fit to the data.

Using the model estimates we obtain a metric indicating a latent customer tendency to buy at full price (compared to buying at a lower price or renting). Other diagnostic information from the model may help convert renters into buyers. First, expected viewing may be pitched to the consumer in order to persuade consumers that the movie will be well utilized. Secondly, we use the model to generate customized new and used title prices. (*International Journal of Research in Marketing* 26 (2): 125-135, 2009; **doi:** 10.1016/j.ijresmar.2008.12.004)

Ask or infer? Strategic implications of alternative learning approaches in customization

Scott Fay, Deb Mitra and Qiong Wang

Learning about a customer's preferences is a critical first step in the customization process. Broadly, firms adopt two alternative learning approaches: (1) ask, i.e., solicit preference information directly from the customer (*S-Learning*), or (2) infer, i.e., deduce preference information based on past observations of the customer as well as those of other customers (*O-Learning*). Most existing research on customization strategy focuses on a firm's marketing mix decisions, implicitly assuming away how the firm learns about customers. We contribute to this literature by examining how a firm's use of a specific learning approach impacts competition, particularly its rival's choice of learning approach. We find that O-Learning provides a credible signal for relaxing price competition, while S-Learning does not. Further, S-Learning by a firm creates a disincentive for rivals to also invest in S-Learning. We survey business customers and find significant evidence supporting our theory. We conclude with several managerial implications of our theory including how a firm can optimally select its learning strategy in order to impact its competitive environment. (*International Journal of Research in Marketing* 26 (2): 136-152, 2009; **doi:** 10.1016/j.ijresmar.2008.12.003)

Empirical evidence of the stock market's (mis) pricing of customer satisfaction

Don O'Sullivan, Mark C. Hutchinson and Vincent O'Connell

Recent portfolio studies provide conflicting evidence on whether the stock market (mis)prices the value of customer satisfaction, as measured by the American Customer Satisfaction Index (ACSI) and whether ACSI-based trading strategies provide market-beating returns. The current research aims to shed new light on

these issues. We reexamine two ACSI-based trading strategies considered in prior research. Applying a methodology that deals with three interlinking issues, risk adjustment, abnormal returns estimation and portfolio aggregation, we find that the trading strategies do not provide compelling evidence that the market mis-prices the value of customer satisfaction. Our study contributes to the current debate on the (mis)pricing of customer satisfaction by demonstrating the application of a framework within which the robustness of observed anomalies can be more fully assessed. (*International Journal of Research in Marketing* 26 (2): 154-161, 2009; **doi**: 10.1016/j.ijresmar.2008.08.004)

Playoff payoff: Super Bowl advertising for movies

Jason Y.C. Ho, Tirtha Dhar and Charles B. Weinberg

Marketers are increasingly making use of major TV events, such as the Super Bowl, to advertise their products. However, the economic value of such advertising is highly uncertain. Since an ad during the Super Bowl costs 2.5 times more per viewer reached than an ad during a network TV prime time show, developing methods for evaluating such advertising and for measuring its effects seems particularly important. Using the setting of the movie industry, this paper develops and estimates a model that includes both direct (on potential moviegoers) and indirect effects (on exhibitors) of regular and Super Bowl advertising. The model recognizes the endogeneity of advertising and in particular develops a discrete choice model to control for the endogeneity of the Super Bowl advertising decision. The results indicate that Super Bowl advertising has a positive effect on box office revenues, but primarily through an indirect effect on exhibitors. In addition, regular TV advertising is more effective than Super Bowl advertising for initial advertising spending; a counterfactual analysis, by contrast, shows that for a movie already spending at our sample's average TV spending level of \$13 million, Super Bowl advertising has a greater effect on revenues than regular TV advertising. (*International Journal of Research in Marketing* 26 (3): 168-179, 2009; **doi**: 10.1016/j.ijresmar.2009.06.001)

Does irritation induced by charitable direct mailings reduce donations

Merel van Diepen, Bas Donkers and Philip Hans Franses

Charities rely mainly on direct mailings to attract the attention of potential donors. Individuals may feel irritated by these mailings, in particular when they receive

many mailings. This might harm the revenues charities receive from their mailing activities. Moreover, target selection by charities likely results in many mailings being sent to the best donors and hence they might become most irritated. As such, irritation with direct mailings could well be endogenously determined. To ensure exogenous variation in irritation, we performed a unique controlled field experiment in cooperation with five of the largest charities in the Netherlands. Our analysis reveals that direct mailings do result in irritation, but surprisingly, this irritation affects neither stated nor actual donating behavior. (*International Journal of Research in Marketing* 26 (3): 180-188, 2009; *doi*: 10.1016/j.ijresmar.2009.03.007)

Quality-adjusted price comparison of non-homogeneous products across Internet retailers

Wagner A. Kamakura and Sangkil Moon

This study compares prices offered by multiple Internet retailers. This task is challenging because e-tailers cannot present their entire assortments to each consumer. Therefore, the quality of the product assortments presented by different e-tailers to each consumer is not directly comparable on an item-by-item basis, resulting in non-homogeneous offerings across retailers. We further consider the interaction between retailers (product information presentation format) and consumers (product information search strategies), which makes price comparisons among the retailers even more non-homogeneous. To grapple with this quality-adjusted price comparison problem for non-homogeneous products, we use a stochastic-frontier hedonic-price regression model to find the “lowest” theoretical price for a product given its characteristics. We then assess the price efficiency of the product as the ratio between this lowest price and the offered market price. This framework allows for the comparison of retailers in their ability to offer the “best deals” even when their actual assortments are not directly comparable in quality. Moreover, this framework provides Internet retailers with a relative measure of price efficiency. This helps them understand when and where they offer competitive prices to consumers. We illustrate our approach empirically in a comparison of price efficiency among three major Internet travel agents on a sample of posted itineraries and airfares. Furthermore, we demonstrate that the price efficiency of an Internet travel agent depends on the format of its website and on consumers' search strategies. (*International Journal of Research in Marketing* 26 (3): 189-196, 2009; *doi*: 10.1016/j.ijresmar.2009.03.004)

Multi-stage purchase decision models: Accommodating response heterogeneity, common demand shocks and endogeneity using disaggregate data

Rick L. Andrews and Imran S. Currim

The most comprehensive models of purchase behavior for frequently purchased supermarket items explain households' purchase incidence decisions (whether to buy), brand choice decisions (what to buy) and purchase quantity decisions (how much to buy). In this study, we develop a three-stage purchase incidence/brand choice/purchase quantity model for household-level data in which all three stages are specified with (i) random coefficient distributions for model covariates and (ii) random effect distributions to account for unobserved factors affecting demand (known as common demand shocks), while also (iii) controlling for the effects of endogeneity on prices. Compared to current state-of-the-art models for multi-stage purchase decisions, the results show improvements in fit and forecasting accuracy when purchase behaviors are modeled with all of these components in combination. Perhaps more importantly, when common demand shocks are ignored, substantial differences in parameter estimates and diagnostic information about consumer behavior are likely (median differences in parameter estimates are 10% and 20% in two product categories), which impact managerial deliberations about price and promotion policies. Further, failure to account for common demand shocks affects the mean and variance of random coefficient distributions in unpredictable directions, which could produce results that encourage managers to pursue inappropriate and costly micro-level product marketing strategies. (*International Journal of Research in Marketing* 26 (3): 197-206, 2009; *doi: 10.1016/j.ijresmar.2009.03.005*)

The impact of technological and organizational implementation of CRM on customer acquisition, maintenance and retention

Jan U. Becker, Goetz Greve and Sönke Albers

In recent years, customer relationship management (CRM) has been a topic of the utmost importance for scholars and managers. Despite the evidence provided by numerous empirical studies, many companies that have implemented CRM systems report unsatisfactory levels of improvement. This study analyzes what influence companies can expect CRM implementation to have on performance and how they can leverage its impact. The authors propose a conceptual model that investigates the link between technological and organizational implementations, as

well as the implementations' interactions with management and employee support and CRM process-related performance. By measuring CRM performance in terms of the initiation, maintenance and retention of customer relationships, the study provides a detailed picture of what CRM implementations are capable of achieving. The results of the empirical study, conducted across four industries and ten European countries, indicate that CRM implementation does not impact performance equally for different aspects of the CRM process and that it has an impact only if adequately supported by the appropriate company stakeholders. (*International Journal of Research in Marketing* 26 (3): 207-215, 2009; *doi*: 10.1016/j.ijresmar.2009.03.006)

Consumer response to and choice of customized versus standardized systems

Neeraj Bharadwaj, Rebecca Walker Naylor and Frenkel ter Hofstede

Recent research on customization suggests that a need exists to examine conditions under which selling customized versus non-customized offerings will be more beneficial to vendors. To this end, this paper empirically evaluates consumer response to and choice of *customized systems* (offerings that are integrated and customized) in relation to *standardized systems* (offerings that feature integration but not customization). Through a series of studies, we demonstrate that the relationship between a buyer's systems purchase strategy and their future repurchase intentions toward the seller is moderated by a buyer characteristic (that is, a consumer's insight into his/her own preferences, or the degree to which a consumer can confidently and consistently express his or her true preferences) as well as a seller characteristic (retailer reputation). Given that consumers who are experts have greater insight into their own preferences than novices, our work also suggests that this greater insight into one's own preferences is a plausible explanation for why experts are more likely to choose a customized system. The main practical implication of our research is that it prompts managers to challenge the contention in some mass customization writings that customized offerings have universal appeal. Although the participants in our studies also tended to be more attracted to customized systems in general, this proclivity was lower for consumers with less product category expertise. This is important because our results convey that repurchase intentions towards a vendor will be higher after the purchase of a non-customized system by those consumers who lack insight into their preferences. As such, firms should try to propose customized systems only to those prospective buyers who possess strong preference insight and propose standardized systems to those buyers who do not. (*International Journal of Research in Marketing* 26 (3): 216-227, 2009; *doi*: 10.1016/j.ijresmar.2009.04.001)

Brand positivity and competitive effects on the evaluation of brand extensions

Harish Kapoor and Louise A. Heslop

The dominant approach in brand-extension research has focused on the role of fit in the extension evaluation process. Overemphasis on fit has resulted in research designs that involve singular evaluation of the extension without considering how competing brands in the target category might affect the evaluation of brand extensions. Singular evaluations are known to result in brand positivity effects; that is, brand extensions are evaluated more favorably than is warranted. This research finds that singular evaluations do indeed lead to brand positivity effects. However, brand positivity effects are mitigated when respondents were provided with competitive information along with target-category structure and comparative/non-comparative brand positioning statements. Results also suggest that parent brand-extension fit, though an important determinant of an extension's assessment, plays a less critical role in a comparative evaluation context when an extension's brand strength is accounted for in relation to its competition in the target category. Therefore, the findings stress the importance of both competition and parent-brand fit in making informed positioning decisions and more realistic predictions of extension success. The research demonstrates when, how and to what extent comparative evaluations result in lower extension ratings and provides managerial strategies to introduce an extension effectively. (*International Journal of Research in Marketing* 26 (3): 228-237, 2009; **doi:** 10.1016/j.ijresmar.2009.05.001)

Generalizing from negative experiences

Wouter Vanhouche and Joseph W. Alba

Consumers often form firm beliefs about the future performance of a vendor based on an initial interaction with that vendor. Research in decision science suggests that generalizing from small samples is ill-advised but nonetheless common. A smaller stream of research indicates sensitivity to the representativeness of a small sample. We argue that perceived representativeness depends on the causal inferences prompted by the nature of the consumption experience. Moreover, such inferences may be so specific to the consumption experience that broad statements about consumers' propensity to generalize from one experience to others may themselves be ill-advised. (*International Journal of Research in Marketing* 26 (3): 238-244, 2009; **doi:** 10.1016/j.ijresmar.2009.05.002)

Recommendation and repurchase intention thresholds: A joint heterogeneity response estimation

Ying Jin and Meng Su

Recommendation and repurchase intentions are the two most important dimensions of customer loyalty. Latent satisfaction thresholds at the individual level, if obtained, can function as an additional valid and effective criterion for satisfaction ratings in determining customer loyalty. To improve the existing estimation methodology on satisfaction thresholds, this paper proposes a joint heterogeneity response model to simultaneously calibrate the individual-level recommendation and repurchase thresholds through a joint specification over the heterogeneity. It conducts a simulation study to examine the parameter recovery and model validation. This paper further applies the method to two different datasets of satisfaction surveys in the automotive industry, with the first involving owners of vehicles of a single brand and the second involving owners of vehicles of multiple brands. The results from the two empirical studies show that the proposed model consistently outperforms the two competing models and the extant approach. In addition, the results provide different insights into enhancing customer loyalty by using a new segmentation scheme based on estimated satisfaction thresholds. (*International Journal of Research in Marketing* 26 (3): 245-255, 2009; *doi: 10.1016/j.ijresmar.2009.06.004*)

A meta-analysis of the determinants of organic sales growth

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We present the results of a meta-analysis on drivers of organic sales growth conducted using a Hierarchical Bayes estimation technique. Based on a comprehensive review of a diverse set of literatures on organic sales growth, we identify eleven drivers of organic sales growth performance of firms: (i) innovation, (ii) marketing orientation (iii) advertising (iv) interorganizational networks, (v) entrepreneurial orientation, (vi) management capacity, (vii) firm age, (viii) firm size, (ix) competition, (x) munificence and (xi) dynamism. Among the variables under a manager's control, innovation, advertising, market orientation, interorganizational networks, entrepreneurial orientation and managerial capacity serve as positive drivers of organic growth. Older firms and firms operating in dynamic and competitive environments face constraints in terms of organic growth. We find that the omission of marketing variables in empirical models biases the elasticities of

eight of the drivers of organic growth. Three study design characteristics impact the magnitude of elasticity of organic growth drivers: using cross-sectional data instead of panel data, using growth rates instead of absolute change as operationalization of growth and using market share instead of sales as a measure of revenues. (*International Journal of Research in Marketing* 26 (4): 263-275, 2009; doi: 10.1016/j.ijresmar.2009.06.003)

Organic growth and shareholder value: A case study of the insurance industry

Gerhard Kling, Abby Ghobadian and Nicholas O'Regan

This paper examines organic growth and its impact on shareholder value creation. At a conceptual level, organic and external growth are readily defined; yet, at a practical level, decomposing revenue growth into its constituent elements presents methodological challenges. We develop a method to decompose revenue growth into organic growth, external growth, exchange rate effects and under- or outperformance. Using extensive data from three insurance companies, AXA, Generali and ING, we analyzed the period from 1995 to 2005. Exchange rate effects were of minor importance, unless companies entered markets at inopportune times. Primarily, the findings indicate that only organic revenue growth enhanced shareholder value. Therefore, managers should focus on marketing as a key driver of organic growth to create value. (*International Journal of Research in Marketing* 26 (4): 276-283 2009; doi:10.1016/j.ijresmar.2009.08.002)

Linking marketing capabilities with profit growth

Neil A. Morgan, Rebecca J. Slotegraaf and Douglas W. Vorhies

Profit growth is one of the primary drivers of a firm's stock price and therefore is a clear priority for managers. Yet little is known about how a firm's marketing capabilities may be linked with its profit growth. In this study, we use data from a cross-industry sample of 114 firms to investigate how market sensing, brand management and customer relationship management (CRM) capabilities determine firms' revenue growth and margin growth-the two components of profit growth. Our results reveal that these marketing capabilities have direct and complementary effects on both revenue and margin growth rates. Critically, we find that brand management and CRM capabilities have opposing effects on revenue and margin growth rates, such that a failure to examine these two underlying components

would mask the relationships between these marketing capabilities and ultimate profit growth rates. (*International Journal of Research in Marketing* 26 (4): 284-293, 2009; **doi:** 10.1016/j.ijresmar.2009.06.005)

How do new ventures grow? Firm capabilities, growth strategies and performance

Xiaoyun Chen, Huan Zou and Danny T. Wang

While new venture growth performance has been studied extensively, little work has been done to examine the complex strategic choices through which growth is pursued and attained. Building on the resource-based view and social capital perspective, this study develops a conceptual framework that links combinations of ventures' (1) technological, (2) financial and (3) networking capabilities to different growth strategies in terms of organic growth, partnership and acquisition. We further assess the mechanisms through which a new venture's growth choices affect firm performance. Using data from 238 new high-tech ventures in China, we find that new ventures with different resource combinations follow different growth strategies. While partnership growth leads to greater product diversity and acquisition is more effective in realizing firm internationalization, both lead to a better chance of survival of new ventures. In addition, the study explicates the role of technological capability in moderating the relationship between growth strategies and new venture performance. (*International Journal of Research in Marketing* 26 (4): 294-303, 2009; **doi:** 10.1016/j.ijresmar.2009.08.004)

The impact of adoption timing on new service usage and early disadoption

Remco Prins, Peter C. Verhoef and Philip Hans Franses

Post-adoption usage can be a crucial element in obtaining substantial revenues from new service introduction, especially when adopters display low usage levels or decide to disadopt the service altogether. Here, the authors specifically examine the effects of adoption timing on post-adoption usage and disadoption. Using a longitudinal, individual-level usage data set of 6296 adopters of a new telecom service, they show that the earliest adopters have lower initial usage levels than do later adopters. However, early adopters show increasing usage after adoption, whereas late adopters tend to decrease their usage over time. Also, disadoption rates are higher among later adopters. (*International Journal of Research in Marketing* 26 (4): 304-313, 2009; **doi:** 10.1016/j.ijresmar.2009.07.002)

The impact of formal processes for market information acquisition and utilization on the performance of Chinese new ventures

Michael Song, C. Anthony Di Benedetto and Mark E. Parry

The authors examine the performance impact of formal market information processes. Specifically, a theoretical model is developed that hypothesizes that formal processes for market information acquisition and utilization have direct and positive main effects on new venture success and is then tested using a sample of 222 new ventures located in China. Findings indicate that new venture success is positively correlated with the use of formal processes for market information acquisition and use. Moreover, the relative importance of formal processes to the acquisition and use of market information depends on whether the new venture serves an emerging or established market. In particular, the impact of formal processes for information acquisition is higher among new ventures that serve emerging markets. In contrast, the impact of formal processes for information use is higher among new ventures that serve established markets. We present managerial implications of our results. For example, a new venture with a strong market orientation can respond quickly to emerging marketplace needs and can even seize the advantage from incumbents. If it is in an emerging market, however, the new venture management team should strive to excel at information acquisition; in an established market, it is important for the management team to excel at information utilization. (*International Journal of Research in Marketing* 26 (4): 314-323, 2009; doi: 10.1016/j.ijresmar.2009.08.003)

Bidder motives in cause-related auctions

Ernan Haruvy and Peter T.L. Popkowski Leszczyc

We study cause-related auctions where a percentage of the dynamically determined purchase price of an item is donated to charity. Little is known about the effectiveness of such auctions. Bidders who value donations to charity have an incentive to bid more aggressively in such auctions. Regardless of whether they win or not, these bidders can significantly affect prices. The purpose of this paper is to study bidders' willingness to pay a premium in charity auctions and the drivers that affect the charity premium. We use a carefully designed field experiment involving simultaneous pairs of auctions that are identical in all respects but percentage of the proceeds donated to charity. This design gives us the ability to look at bidder choice among auctions based on charitable considerations. We use a mixture

model approach to allow for different types of individual preferences. We find that individuals fall into three segments: two altruistic segments and a selfish segment. The altruistic segments, which drive up the charity premium, can be classified as warm glow bidders who derive pleasure from the act of giving and other-regarding bidders who give for selfless reasons. Results show that the difference in donation percentages is the major factor influencing the charitable premium. However, bidders differ considerably in their responses to donation percentages. While other-regarding bidders tend to seek auctions where a greater percentage of revenue is donated to charity, warm glow bidders only contribute when the charity premium is sufficiently low. Thus, managers should focus their marketing efforts on appealing to these different segments, depending on the percentage donated to charity. (*International Journal of Research in Marketing* 26 (4): 324-331, 2009; doi: 10.1016/j.ijresmar.2009.07.001)

An empirical comparison of the efficacy of covariance-based and variance-based SEM

Werner Reinartz, Michael Haenlein and Jörg Henseler

Variance-based SEM, also known under the term partial least squares (PLS) analysis, is an approach that has gained increasing interest among marketing researchers in recent years. During the last 25 years, more than 30 articles have been published in leading marketing journals that have applied this approach instead of the more traditional alternative of covariance-based SEM (CBSEM). However, although an analysis of these previous publications shows that there seems to be at least an implicit agreement about the factors that should drive the choice between PLS analysis and CBSEM, no research has until now empirically compared the performance of these approaches given a set of different conditions. Our study addresses this open question by conducting a large-scale Monte-Carlo simulation. We show that justifying the choice of PLS due to a lack of assumptions regarding indicator distribution and measurement scale is often inappropriate, as CBSEM proves extremely robust with respect to violations of its underlying distributional assumptions. Additionally, CBSEM clearly outperforms PLS in terms of parameter consistency and is preferable in terms of parameter accuracy as long as the sample size exceeds a certain threshold (250 observations). Nevertheless, PLS analysis should be preferred when the emphasis is on prediction and theory development, as the statistical power of PLS is always larger than or equal to that of CBSEM; already, 100 observations can be sufficient to achieve acceptable levels of statistical power given a certain quality of the measurement model. (*International Journal of Research in Marketing* 26 (4): 332-344, 2009; doi: 10.1016/j.ijresmar.2009.08.001)

Empirical investigation of channel reactions to brand introductions

S. Sriram and Vrinda Kadiyali

We investigate how incumbent manufacturers and retailers alter their pricing behavior in response to new product introduction. In performing our analysis, we need to be cognizant of the fact that the observed price changes can be due to entry-induced changes in a) demand conditions or b) costs or, on the other hand, to the competitive behavior of c) manufacturers and/or d) the retailer. In order to separate these four changes, we posit that manufacturer and retailer pricing is an outcome of maximizing a combination of shares and profits. This enhanced objective function allows us to measure competitive conduct benchmarked as less or more competitive than under the Bertrand-Nash framework. Our empirical analysis is based on the toothpaste category for the time period January 1993-February 1995. During this period, there were three brand introductions in two rounds of entry. Using the estimates from the demand and the supply model, we compute the changes in the retail and wholesale prices that are attributable to changes in demand conditions, manufacturer and retailer competitive conduct and cost changes. These results support our conjecture that inferring the change in conduct solely based on a change in observed prices is likely to be erroneous. For the first new brand entry, we find that the brand introduction did not significantly increase competition between manufacturers. As a result, the balance of channel power between the manufacturers and the retailers remained unaltered. Both retailer and manufacturer profit margins increased after the first entry. However, subsequent to the second entry, retailer share of channel profits increased at the expense of the manufacturers; manufacturers even saw a decline in their absolute profit margins. We believe that this research will provide insight for manufacturers and retailers regarding how the various channel participants are likely to react to new product introduction. Furthermore, policymakers interested in understanding competitive reactions to new product introduction should find this research useful. (*International Journal of Research in Marketing* 26 (4): 345-355, 2009; *doi: 10.1016/j.ijresmar.2009.08.005*)

Ethnic Marketing Potential in England and Wales: New Evidence from the 2001 UK Census

Ibrahim Sirkeci

This research presents an analysis of the ethnic breakdown of the population in England and Wales and show the potential of ethnic market segments. This study

uses the data from 1991 and 2001 UK censuses and 2004 Annual Population Survey data to show the ethnic breakdown of the population in England and Wales. Since 1999, most of the increase in market value in terms of expenditures is likely to be generated by ethnic minorities in England and Wales. This study demonstrates that the ethnic minority market in England and Wales has rich opportunities to offer. Ethnic market in the UK is a fast growing market. This is a crude estimation of the market value but still indicates the broader trend. Further studies investigating both the customer expenditures and attitudes are needed to gain a comprehensive and insightful understanding of the ethnic market in the UK. This is the first analysis of the ethnic market potential in the UK based on the 2001 Census data which was released in 2004. The brief analysis could be helpful for practitioners who might be targeting ethnic segments in the UK. It is also a starting point providing a brief examination for those considering further research on the subject. This study offers the first ever review of the ethnic potential in England and Wales based on the 2001 Census data. It also highlights the potential of this data for marketing research. (*Asian Journal of Marketing* 3 (1): 1-9, 2009; *doi: 10.3923/ajm.2009.1.9*)

Corporate Culture, Organizational Dynamics and Implementation of Innovations: A Conceptual Framework

Anshu Saran, Laura Serviere and Morris Kalliny

When a new idea is developed as a result of discovery or invention, it may be discarded or implemented. The process of implementing an innovation normally involves effort at education and persuasion and to be able to elicit actions calculated to implement the new idea. There is also a need to establish relevance of the innovation to the goals of the organization, which encourages us to look at the subject with direct reference to the organizational factors. The purpose of this research is twofold: one to investigate select organizational variables which could promote or hinder the implementation process in an organizational setting; second to stimulate research on the subject by providing a conceptual framework, which is the base for any empirical analysis. (*Asian Journal of Marketing*, 3 (1): 10-19, 2009; *doi: 10.3923/ajm.2009.10.19*)

The Influence of Children on Family Purchasing Decisions in Turkey

B. Guneri, O. Yurt, M.D. Kaplan and M. Delen

This research focuses on the influence of children on family purchasing decision-making in Turkey, a country with distinct cultural characteristics. The study

provides empirical evidence based on data, collected from 849 families. The general findings of this study suggest that the children's influence on family decision-making in Turkey is limited to products of direct use to children. Findings also reveal that the children are more influential on need recognition, where to buy, when to buy and which to buy sub-decisions. On the other hand, the parents perceive children to have very little influence on family-decision making, as they state themselves as the most influential units of family decision-making. This study suggests that parents underestimate the role of their children on family buying decisions. (*Asian Journal of Marketing*, 3 (1): 20-32, 2009; doi: 10.3923/ajm.2009.20.23)

Measuring and Evaluating Business Students Satisfaction Perceptions at Public and Private Universities in Jordan

A.M. Basheer Al-Alak

This study assessed overall business students satisfaction perceptions from the higher education institutions in Jordan and investigated the differences in satisfaction perceptions of business students from three public and three private universities. The results of this study show that business colleges at private universities are really competing well and even well ahead of business colleges at government universities in delivering services and other related outputs. Business students at private universities perceive higher quality services than their counterparts at public universities and are much more satisfied with such services compared to business students at public universities. It is quite evident that business colleges at private universities are differentiating themselves by delivering consistently higher quality services than business colleges at public universities. (*Asian Journal of Marketing* 3 (2): 33-51, 2009; doi: 10.3923/ajm.2009.33.51)

An Empirical Examination of the Reasons Governing Multiple Unit Franchise Adoption in Australia

Scott Weaven

This study examines reasons why multiple unit franchising arrangements are adopted from a franchisor perspective. Based on the resource constraints and agency literatures a set of seven hypothesis explaining the choice of multiple unit franchising from a franchisor's perspective are derived and subjected to empirical assessment. The analysis is carried out using a sample of 114 Australian

franchisors. Significant differences between prior explanations of the motivational incentives governing multiple unit adoption and practice within the Australian franchising sector were found. Results indicate that franchisors appear to approach the selection, recruitment and management of multiple unit franchisees in an ad hoc fashion that may have a deleterious effect upon the ongoing management of the franchising relationship. Implications for managerial action and future research direction are discussed. (*Asian Journal of Marketing* 3 (2): 52-64, 2009; **doi**: 10.3923/ajm.2009.52.64)