

RESEARCH ON MARKETING

Introduction

Marketing strategy is at the core of any firm. It defines our key choices in connecting with customers. Long constrained to the marketing department of the firm, marketing strategy has now entered all functions in the board room as firms increasingly put customers first. Firms need to be able to ensure they create and deliver superior value to their customers. Innovation is therefore a field of prime relevance within marketing strategy and a decision that needs to be principally informed by commercial considerations (firms innovate to make more money, not for the sake of a Nobel Prize). To achieve business growth, firms need to thoroughly understand customer needs and develop (new) solutions to better serve customer needs in a sustainable manner. Marketers also need to capture as much value as possible for the firm and its shareholders out of the value created for the customers, which relates to key decisions on channels, prices and brand development.

Objectives

This seminar aims to provide an introduction to research on marketing. The objective of the seminar is to familiarize students with different domains, based on articles that appeared in the top scientific journals in the field as well as a few more practice-oriented publications. Our sessions will also cover other topics, common across all business disciplines, like: How to get published and cited? How to build a research career? What makes research interesting? What are threats to reliability and validity? How to write a scientific paper and get published? The sessions are organized in topic areas, rather than method areas. It is not the intention to be exhaustive in topic areas covered, merely to sample the domain.

Learning Outcomes

1. Know the type of research that is done in top journals in marketing.
2. Understand the most common threats to reliability and validity in marketing research.
3. Being able to design a research study in marketing.

Competences

General Competences (refer to list of general competences in the MRM)

- Research design
- Critical Thinking
- Judgment

Specific Competences

- Understand and apply appropriate research in marketing.

Assess reliability and validity of research conclusions.

- Design research studies in marketing and outside.
- Debate research studies objectively □

Content

In this course, we will cover the role of marketing over the product life cycle, from the development and launch of new products to the adoption of the product by our target population and the strategic marketing decisions firms have to make such as pricing, branding and distribution. Throughout the course, we apply these concepts to a diverse set of industries and firms.

Methodology

The class discussion format will be the following. I will introduce each of the topics myself, based on the reading that was assigned to the class (the core reading is required for all, the supplementary readings are optional). For each session, the class will self-appoint also a discussant. The discussant's role is to entertain a lively discussion in the class after my introduction about the topic we discuss for that session. That means the discussant prepares a presentation as to how the assigned reading could inspire research in his or her own area of expertise or interest, what would be interesting follow-up questions to ask or what interesting phenomena one can observe in practice related to the topic of discussion. The student is also welcome to criticize the core paper assigned in each session. All students need to have read the assigned paper in depth, be ready to answer questions about it and have thought about the relevance of it, follow-up questions, etc. so they can engage in a lively debate with their classmates. One of the sessions will be worked on in greater depth by one of the students to serve as his/her term paper. Classes will have the following structure: (1) Stefan's discussion of the core paper for the class; (2) the discussant's perspective; (3) open questions (among which are the assignment questions, but it may include others as well).

Following my presentation of the assigned topic and readings, the discussant will present. The discussant should reflect critically on the main assigned paper of the class and potentially also the supplementary materials. This means that he or she may raise criticisms on the work that the entire class has read. The discussant should also reflect on the relevance of the topic and readings to society, as well as on research areas that are of particular interest to him or her. The assignment questions provide guidance on what to focus on and what to provide an opinion on. Furthermore, the discussant should elaborate on how they can use the insights or topic under study in their field. The discussant should also reflect on how they could apply the methodology in other fields. Sharing of real practice examples on the topic of interest in the session by any student, especially the discussant, with the rest of the class and the professor is greatly appreciated.

Evaluation

Class participation 50%,
Class presentations of term paper 50%.

Course Outline & Bibliography

SESSION	DATE	SESSION CONTENT
1		What is Marketing?
2		A Scientometric Perspective on Marketing.
3		
4		
5		Innovation Research in Marketing.
6		Modeling the Growth of New Products.
7		
8		New Market Entry.
9		The Study of Network Effects in Marketing.
10		
11		
12		Estimating the Responsiveness of the Market to Marketing Efforts.
13		Pricing.
14		Behavioral Models.
15		
16		
17		Marketing in the Age of Customer Empowerment.
18		Marketing in Specific Industries.
19		
20		
		Getting Published and the Review Process: An Editorial Perspective.

Readings

Session 1. What is Marketing?

1. Moorman, C. & R.T. Rust (1999), "The Role of Marketing," *Journal of Marketing*, 63 (Special Issue), 180-197.
 - a. Supplementary materials:
 - i. Gundlach, G.T. & W.L. Wilkie (2009), "The American Marketing Association's New Definition of Marketing: Perspective and Commentary on the 2007 Revision," *Journal of Public Policy & Marketing*, 28(2), 259-264.
 - ii. Rust, R.T., C. Moorman, and G. Bhalla (2010), "Rethinking Marketing," *Harvard Business Review*, 88 (February), 94-101.
 - iii. Verhoef, O.C. & P.S.H. Leeflang (2009), "Understanding the Marketing Department's Influence Within the Firm," *Journal of Marketing*, 73 (March), 14-37.

Assignment Questions (all):

- How does marketing create value for firms?
- In your opinion, firms tend to invest/spend too much or too little on marketing?
- What is and is not marketing? Do you agree with the AMA definition discussed in Gundlach and Wilkie (2009)?
- Should the marketing function have a strong influence in the firm or not? What should the role of the CMO be?

- How rapidly has marketing evolved and adapted to the new environment?

Sessions 2 & 3. A Scientometric Perspective on Marketing.

2. Stremersch, S. & P.C. Verhoef (2005), "Globalization of Authorship in the Marketing Discipline: Evolution, Country Productivity and Consequences," *Marketing Science*, 24 (4), 585-594.

Assignment Questions (all):

- Is globalization occurring across all fields?
 - Should journals do more to spur globalization? Should academic institutions (e.g. universities, business schools, etc)?
 - How can authors make sure that their work has global relevance?
 - Is there a bias towards non-U.S. authors?
3. Roberts, J., Kayande, U., & S. Stremersch (2014), "From Academic Research to Marketing Practice: Exploring the Marketing Science Value Chain," *International Journal of Research in Marketing* (including commentaries).

Assignment Questions (all):

- How important is academic research to practitioners in fields outside marketing?
- Where does academic research play a crucial role in management practice?
- Can papers be both rigorous and easily digestible by managers?
- How important is it to be able to easily 'translate' your research to managers?
- What areas in your field should academics focus on to have high managerial impact?

Session 4 & 5. Innovation Research in Marketing.

4. Stremersch, S., E. Keko & G.J. Prevo (Forthcoming), "The What, Who and How of Innovation: The Innovation Generation Process"
 - b. Supplementary materials:
 - i. Hauser, J., G. Tellis & A. Griffin (2006), "Research on Innovation: A Review and Agenda for *Marketing Science*," *Marketing Science*, 25 (6), 687-717.

Assignment Questions (all):

- Are companies still too top-down in their approach to innovation?
 - Do companies need different processes for different types of innovation?
 - Do you believe in the power of the crowd or are experts still driving innovation?
 - Is innovation also relevant in your field of research? If so, how, and what is the link?
 - What should future academic research focus on? What is most valuable for managers?
5. Wuyts, S., S. Dutta & S. Stremersch (2004), "Portfolios of Interfirm Agreements in Technology-Intensive Markets: Consequences for Innovation and Profitability," *Journal of Marketing*, 68 (2), 88-100.

Assignment Questions (all):

- How important is interfirm collaboration in different industries?
- Should companies be more open to sharing knowledge to drive radical innovation?

- How would you trade off the benefits of diversity (i.e. diverse knowledge) with the cost of communication/coordination (i.e. cost of 'speaking a different language')?
- Should firms focus on innovation or profitability? How does this play a role in the short-term vs. long-term position of a company?

Sessions 6 & 7. Modeling the Growth of New Products.

6. Peres, R., Muller E., & V. Mahajan (2010), "Innovation Diffusion and New Product Growth Models: A critical Review and Research Directions," *International Journal of Research in Marketing*, 27(2), 91-106
 - a. Supplementary materials:
 - i. Stremersch, S., E. Muller & R. Peres (2010), "Does New Product Growth Accelerate Across Technology Generations?," *Marketing Letters*, 21, 103-120.
 - ii. Bass, F.M. (1969), "A New Product Growth Model for Consumer Durables," *Management Science*, 15, 215-227.
 - iii. van den Bulte, C. (2002), "Want to know how diffusion speed varies across countries and products? Try using a Bass model," *PDMA visions*, 26(4), 12-15.

Assignment Questions (all):

- Would it be useful to look at diffusion phenomena in your own field of specialization?
 - What role does word-of-mouth play today? Are social networks becoming more important in diffusion? How can we study the effects of social networks?
 - Which future research opportunities by Peres et al. do you think are particularly relevant and important?
7. Tellis, G. J., Yin E., & S. Stremersch (2003), "The International Takeoff of New Products: The Role of Economics, Culture, and Country Innovativeness," *Marketing Science*, 22(2), 188-208.

Assignment Questions (all):

- What other types of behavior do you believe can be influenced by cultural differences?
- What is the role of culture in other fields of study?
- What do you think of Hofstede's definition of culture?
- How would you control for within country differences in culture?
- Do you think the concept of takeoff is very different from the diffusion concept in the prior version? Do you see other application areas within your field of research?

Session 8. New Market Entry.

8. Tellis, G. J., & Golder, P. N. (1996), "First to Market, First to Fail? Real Causes of Enduring Market Leadership," *MIT Sloan Management Review*, 37(2), 65-75.
 - a. Supplementary materials:
 - i. Golder, P. N., & Tellis, G. J. (1993), "Pioneer Advantage: Marketing Logic or Marketing Legend?," *Journal of Marketing Research*, 158-170.
 - ii. Shankar, V., Carpenter, G. S., & Krishnamurthi, L. (1999), "The advantages of Entry in the Growth Stage of the Product Life Cycle: An Empirical Analysis," *Journal of Marketing Research*, 269-276.
 - iii. Robinson, W. T., & Fornell, C. (1985), "Sources of Market Pioneer Advantages in Consumer Goods Industries," *Journal of Marketing Research*, 305-317.

Assignment Questions (all):

- Should companies still undertake the investment of being pioneers?
- Do you see other areas of research where survival bias could create similar problems?
- Does Silicon Valley place too much of a premium on pioneering? Are pioneers today more likely to survive?

Sessions 9 & 10. The Study of Network Effects in Marketing.

Network Effects

9. Stremersch, S., Tellis, G., Franses P.H. & J. Binken (2007), "Indirect Network Effects in New Product Growth", *Journal of Marketing*, 71 (3), 52-74

Assignment Questions (all):

- In which markets are indirect effects becoming more prevalent?
- Should government agencies intervene in markets with network effects?
- Could you imagine network effects being relevant in your own specialization field?

Superstars in the Game Industry and Their Economic Role

10. Binken, J.L.G. & S. Stremersch (2009), "The Effect of Superstar Software on Hardware Sales in System Markets," *Journal of Marketing*, 73 (March), 88-104.

Assignment Questions (all):

- Do you see superstar effects in other markets?
- In what other areas of research can superstar effects be studied?
- What is the economic role of superstars?
- How does this differ across industries?

Sessions 11 & 12. Estimating the Responsiveness of the Market to Marketing Efforts.

11. Hanssens, D.M., D. Thorpe & C. Finkbeiner (2008), "Marketing When Customer Equity Matters," *Harvard Business Review*, 86(5), 117-123.
 - a. Supplements (see how to allocate to a precise session)
 - i. Davenport, T.H. & J.G. Harris (2009), "What People Want (and How to Predict It)," *MIT Sloan Management Review*, 50(2), 23-31.

Assignment Questions (all):

- Can market response models help firms achieve their long-term marketing goals? What about their short-term marketing decisions?
- In which industries is it harder and easier to estimate the responsiveness of the market to marketing efforts? Why?
- Can you think of other applications/contexts, beyond marketing efforts, where market response models could help firms make better decisions?
- What are the key challenges associated with the specification, estimation and usage of market response models?
- Is there a role for managerial intuition in a world where data is ubiquitous and market response models increasingly sophisticated? Why or why not?

12. Avagyan V., V. Landsman & S. Stremersch (forthcoming), "Marketing Models for the Life Science Industry" in Handbook of Marketing Decisions
 - a. Supplements
 - i. Sridhar, Shrihari, Murali K. Mantrala and Sonke Albers (2014), "Pharmaceutical Detailing Elasticities: A Meta-analysis," in Innovation and Marketing in Pharmaceutical Industry: Achieving Sustainable Success (eds: Min Ding, Jehoshua Eliashberg, Stefan Stremersch).
 - ii. Stremersch, S., Landsman, V. & S. Venkataraman (2013), "The Relationship between DTCA, Drug Requests and Prescriptions: Uncovering Variation in Specialty and Space", Marketing Science, 32 (1), 89-110.
 - iii. Gonzalez, J., C. Sismeiro & S. Dutta (2008), "Can Branded Drugs Benefit From Generic Entry? The Role of Detailing and Price in Switching to Non-Bioequivalent Molecules," International Journal of Research in Marketing, 25 (4), 247-260.

Assignment Questions (all):

- Are firms in pharmaceutical markets overspending on marketing? effectiveness?
- What research designs that the chapter discusses are the strongest research designs?
- Is there a particular relevance to the pharmaceutical industry in your own research specialization?
- Are there particular data on the pharma industry available in your field of specialization that makes it particularly suitable as an empirical research context?

Sessions 13. Pricing.

13. Stremersch, S. & G. Tellis (2002), "Strategic Bundling of Products and Prices: A New Synthesis For Marketing", Journal of Marketing, 66 (January), 55-72.

Assignment Questions (all):

- How is bundling used in other markets on top of the ones mentioned in the paper?
- How important is academic research in management for legal purposes? Can you think of other examples beyond bundling?
- How important is pricing as a strategic decision for companies? What other pricing strategies can companies use? What new pricing strategies are companies employing?
- How relevant is pricing as a managerial decision in your own field of research?

Session 14 & 15. Behavioral Models.

14. Charness, G. & D. Levin (2005), "When Optimal Choices Feel Wrong: A Laboratory Study of Bayesian Updating, Complexity, and Affect," American Economic Review, 95(4), 1300-09.
 - a. Supplementary materials:
 - i. Camacho, N., B. Donkers & S. Stremersch (2011), "Predictably Non-Bayesian: Quantifying Salience Effects in Physician Learning About Drug Quality," Marketing Science, 30(2), 305-320.
 - ii. Ho, T., N. Lim & C.F. Camerer (2006), "How 'Psychological' Should Economic and Marketing Models Be?," Journal of Marketing Research, 43 (August), 341-344.

Assignment Questions (all):

- How important is to incorporate behavioral insights into econometric models in general, and learning models in particular?
- How do you trade off model complexity with behavioral realism?
- In which situations do you expect consumers to learn according to Bayesian updating with expected utility maximization (BEU) versus simpler (reinforcement) learning models?
- How would you design a follow-up study aimed at demonstrating that people pay more attention to unexpected information than to "business as usual" information?

15. Camacho, N., H. Nam, P.K. Kannan & S. Stremersch (2015), "How to Promote Engagement in Innovation Tournaments?," Working Paper, Erasmus University Rotterdam (note: paper not available yet, please read the extended abstract and the supplementary reading in preparation for this session).

Supplementary materials:

- i. Levitt, S.D. & J.A. List (2007), "What Do Laboratory Experiments Measuring Social Preferences Reveal About the Real World?," *Journal of Economic Perspectives*, 21(2), 153-174.
- ii. Levitt, S.D. & J.A. List (2008), "Homo Economicus Evolves," *Science*, 319, 909-910.
- iii. Dellarocas, C. (2010), "Online Reputation Systems: How to Design One That Does What You Need," *MIT Sloan Management Review*, 51(3), 33-37.

Assignment Questions (all):

- What are the pros and cons of field experiments in academic research (e.g. compared with secondary data and lab experiments)?
- Why is engagement an interesting dependent variable to study? In which other areas, besides innovation tournaments, is customer engagement important?
- What could be alternative ways to operationalize engagement?
- What is the role of feedback on other key innovation related variables, besides engagement, such as creativity and idea quality?

Session 16 & 17. Marketing in the Age of Customer Empowerment.

16. Camacho, N., M. de Jong & S. Stremersch (2014), "The Effect of Customer Empowerment on Adherence to Expert Advice," *International Journal of Research in Marketing*, 31(3), 293-308.

Assignment Questions (all):

- How should experts retain power in a world where customers are increasingly empowered?
- Can you think of situations where adhering to expert advice is counter-productive?
- Beyond adherence and empowerment, what are aspects of customer-expert relationships differ across cultures?

17. Dellaert, B.G.C. & S. Stremersch (2005), "Marketing Mass Customized Products: Striking the Balance between Utility and Complexity," *Journal of Marketing Research*, 42 (May), 219-227.

Assignment Questions (all):

- Given the trend of customer empowerment, do you think it is becoming easier for customers to handle the complexity of mass customization? Do companies have to customize in an era of customer empowerment?
- Can experts or recommendation agents help reduce the negative effect of complexity for other customers?
- In what other markets does customization play an important role in customers' utility and choice?

- How can we study the effect of individual traits and their effect on customized products? What variables should be taken into account?

Session 18 & 19. Marketing in Specific Industries.

18. Stremersch, S. & W. Van Dyck (2009), "Marketing of the Life Sciences: A New Framework and Research Agenda for a Nascent Field," *Journal of Marketing*, 73 (4), 4-30.

Assignment Questions (all):

- What other emerging fields do you see that could benefit from a framework and research agenda such as this?
- What are the benefits of surveying executives and academics to gauge the importance of different research topics? What information can each provide you with?
- Do you see research potential in your field dedicated to these industries?

19. John, G., A.M. Weiss, & S. Dutta (1999), "Marketing in Technology-Intensive Markets: Toward a Conceptual Framework," *Journal of Marketing*, 63 (special issue), 78-91.

Assignment Questions (all):

- Do you see research potential in your field dedicated to these industries?
- Do you see research potential on patents or discoveries in your field of research?
- Do you ever see yourself writing a paper like this?
- What empirical studies can be done to validate the arguments brought forward by this paper? Where will you run into difficulties in trying to empirically study this topic?
- Did the predictions (e.g. "the life of product generations will continue to shrink, and migrating customers across product generations will become increasingly important") brought forward by the authors come true?

Session 20. Getting Published and the Review Process: An Editorial Perspective.

Submit questions on the publication and review process beforehand.

Supplementary materials:

- Stremersch, S., N. Camacho, S. Vanneste & I. Verniers (2015), "Assessing Scientific Studies: Uncovering the Drivers of Reviewer Recommendation Behavior," Working Paper, Erasmus University Rotterdam
- Stremersch, S., & Lehmann, D. (2007), "Editorial," *International Journal of Research in Marketing*, 24(1), 1-2.
- Stremersch, S., & Lehmann, D. (2007), "Editorial," *International Journal of Research in Marketing*, 24(4), 277.
- Stremersch, S., & Lehmann, D. (2009), "From the (Past) Editors," *International Journal of Research in Marketing*, 26(4), 257-258.
- Heil, O., Lehmann, D., & Stremersch, S. (2010), "Marketing Competition in the 21st Century," *International Journal of Research in Marketing*, 27(2), 161-163.

Session 21&22. Term paper presentations.

Professor's Biography



Prof. Stefan Stremersch
Professor of Marketing

Ph.D. in Business Economics, Tilburg University
B.A and M.A. in Applied Economics, Ghent University

Areas of Interest

- Innovation
- Marketing of technology and science
- Marketing strategy
- International marketing

Biography – Publications

Stefan Stremersch holds the Desiderius Erasmus Distinguished Chair of Economics and the Chair of Marketing at the Erasmus School of Economics in Rotterdam (Netherlands) and is full professor of marketing at IESE Business School. He graduated with the highest honors from Tilburg University (Ph.D. in Business Economics, 2001) and Ghent University (B.A and M.A. in Applied Economics, 1996).

His current research interests focus on innovation, marketing of technology and science, marketing strategy, and international marketing. Most of his research is centered on high technology markets (ICT, Telecom, consumer electronics, video games) and pharmaceuticals. His work has appeared in leading scholarly journals such as International Journal of Research in Marketing, Journal of Marketing, Journal of Marketing Research, Journal of Personality and Social Psychology, Marketing Science and Management Science.

He has won several awards, such as the Harold H. Maynard Best Paper Award of the Journal of Marketing (2002), the J.C. Ruigrok Prize for the most productive young researcher in the social sciences in the Netherlands (awarded only once every 4 years), the Rajan Varadarajan Early Career Award of the American Marketing Association (in 2008), and the IJRM Best Paper Award (twice, in 2012 and 2014). In 2015, he was selected across all sciences to receive the international Francqui Chair at his alma mater, University of Ghent. In 2009, a paper published in Journal of Marketing cited him as the second most prolific scholar in top marketing journals. His 2014 IJRM paper on practice impact is the most downloaded article of IJRM in its entire history. He is editorial board member of several journals, including International Journal of Research in Marketing, Journal of Marketing Research, Marketing Science, and has served as editor in chief of the International Journal of Research in Marketing.