

THE EMAC CHRONICLE

THE EUROPEAN MARKETING ACADEMY CHRONICLE N°10/OCTOBER 2011

From Ljubljana... to Lisbon



www.emac-online.org



Contents

Editorial

Veronica WONG p. 3

A note from the President-Elect

Udo WAGNER p. 5

Taking Courage in Marketing

John SAUNDERS & Chris RICHARDSON p. 6

EMAC Distinguished

Marketing Scholar Award

Sönke ALBERS p. 9

EMAC McKinsey honor Europe's Best Marketing Dissertation

Carlos LOURENCO, Goran VLASIC
& Dominik MAHR p. 11

Best Paper Based on a Doctoral Dissertation – 40th EMAC Conference

Nico HEUVINCK p. 14

2011 Winner of the Jan-Benedict E.M. Steenkamp Award for Long-Term Impact

Alex DEGERATU, Arvind RANGASWAMY
& Jianan WU p. 16

IJRM Best paper Award

Jacob GOLDENBERG, Barak LIBAI
& Eitan MULLER p. 17

40th EMAC Conference – Ljubljana

Maja MAKOVEC BRENCIC p. 18

41st EMAC Conference – Lisbon

Paulo RITA p. 20

EMAC Climber Community

Melanie ZAGLIA p. 22

Patterns and Regularities in the European Marketing Academic Community

Krystalli ATHANASIOS,
Robert ORMROD &
Katrine Volke CHRISTENSEN p. 24

In Memory of Susan P. Douglas

Lars-Gunnar MATTSSON p. 27



*The largest European network of academics committed
to the development and dissemination of marketing knowledge...*



Welcome to the 10th Issue of the Chronicle. As the new editor, I look forward to working with you to deliver an informative publication covering diverse topics of interest and relevance to EMAC members. I would like to thank my predecessor, George Avlonitis, for his sterling efforts in sustaining the Chronicle's position as a publication that is valued by EMAC members. It will be no easy task following George!

As you like it: to be the more marketable!

An EMAC Fellow explained networking at the Doctoral Colloquium:

“It is not what you know.
It is not who you know.
It is who knows what you know.
And this is where you flash it.”

Networking was always the key to success but globalization and Social Networking have pushed it to the fore. We are all wired now. Not just “equipped for the Internet” but agitated, hyper and restless: all synonyms of wired. We face a swirl of technological and social changes wrapped up in an economic crisis. Now is the time to join the vortex of change and networking to “be the more marketable!”

The elements of networking that appear throughout this EMAC Chronicle are a call for action. In his Note, President-Elect Udo Wagner, reinforces the message, emphasizing the need for greater exploitation of cooperative associations and networks, yielding mutual benefits for EMAC and participating organizations.

Networking with practitioners

Two reports appearing in this issue address a form of network that scares many scholars: networking with industry. Melanie Zaglia's reflections on the Climber Community's Inaugural Meeting in Ljubljana, refers to Peter Leeftang's keynote speech extolling relevant research, much of it achieved by working with business. In his essay, Sönke Albers, recipient of this year's EMAC Distinguished Marketing Scholar Award picks up the theme in discussing models that tackle the non-trivial task of developing models “from which you can

derive valuable recommendations for practitioners”.

In recent years EMAC has taken a valuable lurch towards networking with business through the EMAC-McKinsey Marketing Dissertation Awards. This is a great signal since it shows the papers summarized here by the three prize-winners - Dynamic Store Price Image Formation and Category Pricing by Carlos Lourenco, Market Driving Strategies by Goran Vlastic, and Customer Co-creation of Knowledge During the Innovation Process by Dominik Mahr - are valued by practitioners and academics.

Networking research

This widely recognized research is relevant to practitioners and other researchers. It may be dangerous to ride a big new wave but it also gives the most rewarding ride. An example of such research is the seminal work by Alexandru Degeratu, Arvind Rangaswamy and Jianan Wu, winners of the 2011 IJRM Jan-Benedict Steenkamp Award for Long-term Impact. This was an early analysis of the differential effects of “on-line medium” (now an old-fashioned sounding phrase) on consumer behavior.

The outward looking networking theme follows through in Jacob Goldenberg, Barak Libai and Eitan Muller's winning work for the 2010 IJRM Best Paper Award – The Chilling Effect of Network Externalities - to Nico Heuvinck's “Folks, Listen Up! My Words Matter...to Me at Least”, the Conference Best Paper Based on a Doctoral Dissertation, that examined word-of-mouth (or word-of-keypad) communication.

Networking with one another

The centrality of networking reverberates in Lars-Gunnar Mattson's recounting of the Genesis of EMAC. We owe a lot to our founders, led by the late Susan Douglas, for creating an academy that allows us to benefit from Europe's diversity in a global world. Curiously, Athanasios Krystallis, Robert Ormrod and Katrine Christensen show how we are simultaneously networking and not networking. Creativity comes from diversity and EMAC can certainly gain from its ever-increasing diversity, but we are not taking advantage of that diversity in our research. Despite the increased availability of

inexpensive and quick travel, and the instantaneous Internet communications, we continue to research with the person next door. Marketing is not alone in this lack of diversity as shown by a longitudinal study across several business disciplines that showed the academic community to be increasingly international in the community of researchers but stubbornly multi-cultural, rather than intercultural.² Why?

Taking a theme from their Thought Leaders paper, John Saunders and Chris Richardson could blame the same lack of courage that they say is limiting marketing's influence in business. Many marketing researchers play safe, avoiding the outside world of business and people from other countries. That lack of courage in business is again central to Goran Vlastic's essay on "market driving (creating the future) vs. market driven" strategies. In our Climber Community, one member suggests a way out of this introverted logjam: a young scholars exchange programme that makes academic networking more than a short event in our annual conference. A call

for action, indeed. Maja Makovec Brencic conveys the essence of intensified and accelerated networking, in her summary of the highlights of the 40th EMAC Conference in Ljubjana. Looking ahead, Paulo Rita invites us to join him for the next conference in Lisbon in 2012, where delegates will debate and deliberate on marketing's capacity to "go beyond customers and consumers."

Let me end by thanking the contributors of this issue for your inputs. I also wish everyone a pleasant, plentiful and productive new academic year. Enjoy!

Veronica WONG
EMAC President, Editor

1 W. Shakespeare (1623), *As You Like It* - Act 1, Scene II

2 J. Saunders, V. Wong and C. Saunders (2011), "The Research Evaluation and Globalization of Business Research", *British Journal of Management*, Vol. 22, 401-419.



THE EMAC JOB MARKET

Since its launch in May 2007 in Reykjavik, EMAC has successfully organized its job Market. The job market is for researchers (PhDs and PhD candidates, assistant professors, associate and full professors), whose research is concerned with the field of marketing. The main goal is to manage and diffuse the relevant information concerning higher education and research institutions and young researchers in order to lower the cost of creating a good match.

Interested Institutions (universities, research institutions, private companies,...) have the opportunity to post on the job market web site a brief description of their foreseen opening positions.

Why do we need such a market in Europe? One important reason is that the European academia in marketing, and particularly the demand and supply of assistant professors, has grown considerably. An increasing number of qualified young PhDs seeks employment in academic institutions, and many institutions have opened positions for individuals with advanced teaching and research skills in business studies.

This platform can be viewed as an effort to create a more integrated European market for marketing researchers and faculty.

Visit the EMAC website for more information on the job market.

A note from the President-Elect



EMAC on the go

In recent years EMAC has greatly succeeded in improving the quality and variety of its services to EMAC members. In addition to its two key offerings—yearly conferences and a subscription to IJRM—EMAC has introduced mini conferences specific to various regions, themes and special interest groups. Furthermore, the number of students participating in EMAC's doctoral colloquia has increased substantially, and our academy established several initiatives to support marketing students in the early phases of their academic career (e.g., bursaries). In addition, EMAC grants a number of awards on a yearly basis to honour outstanding contributions to the marketing community. Other initiatives are directed towards young faculty (climber community) and more senior scholars (marketing department heads). No doubt, there are some areas in which EMAC might still be more successful.

Despite these achievements, turbulent financial circumstances loom, for two critical reasons. First, EMAC has had to cover the significantly increasing costs for administrative support provided by EIASM. Second, new Belgian tax regulations now require EMAC to pay VAT for its expenses. Therefore, EMAC officers must work to find solutions to these financial challenges.

Its strong scholarly reputation and accrued reserves give me great confidence that EMAC will manage to solve these problems. My vision therefore is to maintain EMAC's service quality while simultaneously identifying other potential resources that could apply to cover the increased expenses.

- To achieve the first goal, EMAC must continuously acknowledge and meet the needs and preferences of its members to ensure they stay loyal to the academy. As we have in the past, we should continue to launch new initiatives that can increase satisfaction. EMAC should intensify its efforts to gain recognition as a leading global academy, vis-à-vis other competitive marketing societies. Strategic alliances with other marketing associations world wide might result in mutual benefits for members of participating organizations (our cooperation with ANZMAC is just one example). Cultural diversity always has been EMAC's compara-

tive advantage and this characteristic might also turn out beneficial for such cooperation.

- An option for achieving the latter goal is to modify slightly the format of conferences to generate surplus that the academy can use. Other academic marketing societies have implemented similar business models. Another option might be to intensify the academy's cooperation with the business community, a form of growth potential that as yet remains nearly untapped by EMAC.
- Continuous growth of our member base remains an ongoing priority; I perceive central and eastern European countries as particularly promising areas that EMAC should target with suitable activities. In keeping with EMAC's global orientation, other countries across the globe might be targeted as well.
- This year's general assembly approved a slight increase of membership fees. Because of EMAC's rather long term orientation, this measure will become effective later, however. Any activities insufficiently beneficial for EMAC's members of course must cease, as we work to cut costs responsibly. The EMAC survey 2012 will be conducted in due course and should obviously identify such deficiencies from our members' view points.

EMAC history traces back to the seventies of the last century. Enthusiastic and – at that time young – scholars engaged for the sake of EMAC. In the course of time this generation matured and many of them are retiring within the next years. Therefore, it will be essential to identify young members willing to devote time and effort for our academy. We need a new generation of colleagues who are motivated and committed for the sake of EMAC.

Therefore I invite all of you to share your ideas about EMAC by responding to the upcoming survey and even more by considering taking on a more active role within our academy – your contribution will be very much appreciated!

Udo WAGNER
EMAC President-Elect

Thought Leaders

Take courage in marketing

“Audentis fortuna adjuvat” (Fortune favours the brave)
Virgil (29 -19 BCE)

Sticking a pencil in your eye and another in your ear

Marketers lack courage and they are paying for their cowardice in the board room. Marketing works and senior managers have faith in what it can do, but marketers are losing their authority in the boardroom because of their failure to be accountable, creative and innovative, concluded Verhoef and Leeflang (2009) in their article based on Dutch companies. That stark failure is replicated across several other western countries (Verhoef et. al., 2011) so this ‘disease’ is not just Dutch. Struggling to understand this failure on both the creative and analytical sides of the marketer’s brain, Argyriou et. al. (2009) proposed courage, or the lack of it, as the missing link. To elucidate, some marketers shun quantitative financial forecasts to avoid measured failure. Similarly, new products, plans and strategies can be unoriginal in order to play safe.

Recent Magnetic Resonance Imaging (MRI) research supports the possibility that lack of courage limits both analytical and creative performance. Investigating people’s response to snakes in an enclosed environment, Schiller (2010) found courage is associated with the subgenual anterior cingulate cortex (sgACC) that is smack in the middle of the lower brain. It even needs courage to read Schiller’s description of the location of the sgACC using a method that should not be tried at home: “Imagine you stick a pencil straight into the bridge of your nose between the eyes. You push it in and stop before the line between your ears.” Courage, or the mastery of fear, involves the sgACC overcoming alarm generated in the amygdala (stick a pencil in one eye and another in your ear to find it). Maybe marketers know their stuff but just lack the courage to do it, or stick pencils in their brain. As Virgil proclaimed, “audentis fortuna adjuvat”, but marketers lack the courage to gain the good fortune.

Given the evolutionary foundations of fear and courage from primitive parts of the brain, it is not surprising that early thinkers noted their importance. In the axial age



(800 -200
BCE)

Buddha,

Meng Tzu and Lao Tzu independently recognized the importance of courage in human development (Armstrong 2007), while Aristotle (384–322 BCE) drew from Plato and Socrates to proclaim courage as the most significant of all virtues. Then, for thousands of years, courage almost disappeared from human thinking. A few exceptions being Aquinas’s (1274) extensive writings on fortitude, Johnson’s concurrence with Aristotle that “Courage is reckoned the greatest of all virtues; because, unless a man has that virtue, he has no security for preserving any other” (Boswell 1791), and Drucker’s (1998) observation that “Whenever you see a successful business, someone once made a courageous decision”. Despite Drucker’s exhortation, it looks like thinkers as well as marketers have lost courage.

Why no courage?

There are epistemological reasons why courage has dropped from view. Firstly rationalism or scientific management leaves no room for courage since decisions follow a logical process. The social science tradition also has little room for courage since “attributing historical events to the decisions of individuals was hopelessly primitive, childish, and unscientific” (Sagel 2000). Virtues, such as courage, were once used to describe personality (Peterson and Seligman, 2004) but these disappeared with the morally neutral view of personality developed by Allport and Allport (1923). They believed that virtues belonged in the area of philosophy and were an “unnecessary concept for psychology”. As a result, Allport’s personality tests were designed to be non-evaluative and non-normative constructs that exclude courage.

The emergence of positive psychology revived interest in the evaluation of normative behaviour and the benefits of developing virtues. Peterson and Seligman (2004) “reclaim the study of character and virtue as legitimate topics of psychological enquiry” proposing wisdom, humanity, justice, temperance, transcendence and courage as virtues to cultivate.

Bits and pieces

Picking through the social sciences reveals fragments of

courage research but in a disorder of specific applications that was like the natural sciences until Bacon (1620) imposed some structure.

Among the fragments are:

Physical Courage is regarded as the “simplest and most obvious kind of courage” (May, 1975). Aristotle recognized courage in the face of death as the highest form (Walton, 1986).

Non physical courage. A basic categorisation is between the physical and non-physical courage. Aquinas describes this second form as “strength of mind”.

Moral Courage. In 1822 by Caleb Colton claimed “Oliver Cromwell’s hypocrisy neutralised his moral courage, never his physical” (MacKenzie, 1962). Unlike physical courage, which is often rewarded with medals, moral courage often meets with ridicule and derision for “standing against the flow of opinions” (Kennedy, 1956).

Psychological courage does not have a moral foundation. The fear or threat is centred around a loss of psychological stability or “the courage it takes to face our irrational fears and anxieties, those emotions that hold us in bondage”(Putman, 2004).

Existential Courage is “the courage to be as oneself” (Tillich, 1952). This type of courage helps individuals make decisions in the possible face of opposition and irrespective of social opinion.

Creative Courage is the courage to “discover...new forms, new symbols, new patterns...” has been used to describe artists, dramatists, musicians, painters, dancers and poets who “live out their imaginations” (May, 1975). This courage within may not face social opposition.

Social Courage can be described as the pursuit of socially valued goals and is based on a need for social approval (Larsen and Giles, 1976) Individuals engaging in combat may summon social courage to overcome physical fear. This motivation and desire to perform acts ratified by social opinion contrasts with existential courage which requires no social ratification.

Altruistic Courage, or selfless courage, is motivated by the needs of others (Shepela et. al., 1999).

Selfish Courage. Walton (1986) maintains that an act does not need to be altruistic to qualify as being courageous. For example, killing a dangerous snake to protect oneself.

Hot Reactive Courage. Many courageous acts are in

response to occurrences. Hot courage is a spur of the moment act (Craig, 2011) and could be termed impulsive courage. The difference between acting impulsively and rashly is important. Aristotle believed that rashness is an excess of confidence that does not need courage.

Cold reactive courage or deliberate courage. Bomb disposal officers who routinely expose themselves to danger display deliberative courage (Miller, 2000). One of the most common reports of courage in management is whistleblowing. Typically, an employee uncovers dishonest or unethical activities at work and risks being ostracized, victimised or dismissed by ‘blowing the whistle’ on his superiors or colleagues. Such acts display deliberate and reactive courage.

Proactive courage. Miller (2000) draws on the military distinction between offence and defence courage. Offensive courage is one that is not reacting to another’s offensive move. Miller maintained that proactive courage does not carry the same “moral weight” as reactive courage, so is more laudible. Proactive courage is particularly relevant to entrepreneurship where opportunities are found and risks accepted.

General and personal courage. Pury et. al. (2007) distinguishes between general and personal courage. Running into a burning building to save a child, is generally regarded as courageous. Other acts may require personal courage. For example, it is difficult for others to appreciate the courage of an agoraphobic walking down the street.

Military, business, political...courage

The forms of courage listed are usually discussed in isolation in a particular context. The most common being military, civic life, politics, religion, the arts, social issues and management. Mostly, there is no indication of the threat that leads to the summoning of courage or the hybrid nature of true courage. For example, Jeffrey Wigand who exposed the tobacco industry’s awareness of the addictive and health effects of smoking displayed courage in several ways (Brenner 1996). His general courage was proactive and altruistic, while death threats added physical courage to his original psychological courage. Moreover, he displayed existential courage since his background in medical research motivated his action.

What now?

Is courage the barrier to marketing action and recognition? If so, it is disappointing that this most primary of virtues has been lost for a few thousand years and is

only now appearing in bits and pieces. It is also exciting that there is much to do and that positive psychologists see operational value. As researchers, what can we do? Option one is to avoid studying virtues altogether and stick to marginal developments in marketing research using tried and tested methods. Option two is to take courage and dive into an unexplored pool of knowledge. That brave approach seems to have worked for Buddha, Aristotle and the odd saint. Or, maybe, option three. Sit back and watch a good film about business courage: *The Insider* - that dramatises Jeffrey Wigand's stand - *Tucker*, Made in Dagenham, *Pirates of Silicon Valley* or *The Social Network*.

References

Aquinas, T. (1274), *Summa Theologica*.
 Argyriou, E., P. Leeftang, J. Saunders and P. Verhoef (2009) *Marketing's Decline: A Wild Exaggeration?*, White Paper on the Future of Marketing, Cookham: Chartered Institute Of Marketing.
 Aristotle (384–322 BCE) *Nicomachean Ethics*.
 Armstrong, K. (2007) *The Great Transformation: The World in the Time of Buddha, Socrates, Confucius and Jeremiah*, London: Atlantic Books.
 Bacon, F. (1620) *Novum Organum*.
 Boswell, J. (1791) *The Life of Samuel Johnson*, LL.D
 Brenner, M. (1966) *The Man Who Knew Too Much*, Vanity Fair, May.
 Craig, O. (2011) Lord Ashcroft interview: Our bravest of the brave [Online]. *The Telegraph*. Available: <http://www.telegraph.co.uk/news/newstopics/britainatwar/8068500/Lord-Ashcroft-interview-Our-bravest-of-the-brave.html> [Accessed 27-6-11 2011].
 Drucker, P. (1998) *Lessons In Leadership*, San Francisco, Ca.: Jossey.
 Kennedy, J. F. (1956) *Profiles In Courage*, New York, Harper Perennial.
 Larsen, K. S. & H. Giles (1976) *Survival or courage as human motivation: development of an attitude scale*.

Psychological Reports, 39, 299-302.
 Macintyre, A. (1981) *After Virtue*, London, Gerald Duckworth.
 May, R. (1975) *The Courage To Create*, New York, W. W. Norton.
 Miller, W. I. (2000) *The Mystery of Courage*, Cambridge, Massachusetts and London, Harvard University Press.
 Putman, D. (2004) *Psychological Courage*, Maryland, University Press of America.
 Schiller D., (2010) *Snakes In The MRI Machine: A Study Of Courage What Courage Looks Like In The Brain--In Real Time*, *Scientific America*.
 Segal, Robert A. (2000) *Hero Myths*, London: Wiley-Blackwell.
 Shepela, S. T., Cook, J., Horlitz, E., Leal, R., Luciano, S., Lufty, E., Miller, C., Mitchell, G. & Worden, E. (1999) *Courageous Resistance: A special case for altruism*. *Theory and Psychology*, 9, 787-805.
 Tillich, P. (1952) *The Courage to Be*, New Haven & London, Yale University Press.
 Verhoef, P. & Leeftang, P. (2009) *Understanding Marketing Department's Influence Within The Firm*, *Journal Of Marketing*, 73 (March), 14-37.
 Verhoef, P. P. S.H Leeftang, J. Reiner, M. Natter, W. Baker, A. Grinstein, A. Gustafsson, P. Morrison and J. Saunders (2011), *A Cross-National Investigation Into The Marketing Department's Influence Within The Firm: Toward Initial Empirical Generalizations*, *Journal of International Marketing* 19 (3), in press
 Virgil (29-19 BCE), *Aeneid*
 Walton, D. N. (1986) *Courage, a Philosophical Investigation*, Berkeley and Los Angeles, University of California Press.

John SAUNDERS

Audencia Grance Ecole Nantes, France

Chris RICHARDSON

Aston Business School, England



EMAC Distinguished Marketing Scholar



Optimizable, Implementable, and Generalizable Aggregate Response Modeling for Decision Support

Marketing is an applied discipline and, as such, research should be managerially relevant. Because of my background in Operations Research, I was often asked by companies to provide real solutions for real problems. I discovered early on that these can only be based on estimates of market behavior. Thus, I became involved in specifying and estimating sales response functions for deriving recommendations on the optimal use of marketing instruments. I experienced that researchers focusing solely on mathematical optimization are unable to help managers because they are concerned with plausibility, simplicity and understandability. Pure econometricians also fail to meet managers' needs because of the complexity and incomprehensibility of their methods as well as their indifference towards the consequences for subsequent steps of optimization. Therefore, I focused my career on the bridging of the two fields by doing research in both estimation and optimization.

First of all, I found that the econometrics used for estimating sales response functions often lacks an understanding of the needs of subsequent optimization. Econometricians are very much concerned with a battery of biases that demand the use of increasingly sophisticated econometric models but are less interested in whether or not the functional form of a response function is appropriate. We still find linear functions that suggest infinite optimal marketing spending. As this is unrealistic, such functions must be seriously biased. Even the use of the double-log function that ensures diminishing marginal returns can be problematic: Estimating them in a linearized form using logs, or non-linearly using original values can lead to substantially different optima. Using polynomials such as the quadratic function assumes, by definition, maxima which are rarely tested against other concave functional forms. Indeed, it is very difficult to choose the right functional form because many forms seem to fit well but have substantially different answers for the optimal value of a marketing instrument.

Endogeneity is an important issue if one wants to derive recommendations from a policy simulation. If competition is not accounted for when recommending price

changes, it is unlikely that suitable answers can be provided.

This must be distinguished from the endogeneity bias in estimation, which is technically given when an independent variable correlates with the error term. Given the unfavorable reviews resulting from the failure to deal with endogeneity, researchers have developed two ways of coping with it: Less-sophisticated researchers generally follow the recipe of replacing endogenous with instrumental variables. Unfortunately, the results of the first-stage estimation of the independent variable as explained by its instrumental variables often remain unreported. Thus, readers cannot assess whether the replacement was useful. In order to gain further insight, I tested several data sets with the result that running the estimations with the original and replaced variable led to quite different slopes, which has substantial consequences for subsequent optimization. The more methodologically sophisticated researchers prefer to implement structural models in order to overcome endogeneity. These models not only explain output variables, i.e. sales, but also input variables such as price. However, it is unclear whether the assumptions of the behavior of the inputs are really met. Many models assume Nash equilibria, even though empirical research has shown that managers tend to over-estimate competitive reactions. If the assumptions are not met then structural models might lead to even worse results than just ignoring endogeneity.

Consequently, more research must be done on what good estimation methods are which lead to results that provide a suitable basis for optimization. This might call for another loss function. Generally, an average goodness-of-fit is maximized. However, Proppe and Albers (2009) show that this can lead to difficulties when used for allocation purposes: if only one parameter value is distorted, the whole allocation task is negatively affected. Therefore, it is perhaps better for this case to use the minimization of the maximal error as loss function.

It is also not trivial to specify a marketing model from which you can derive valuable managerial recommendations. Working with practitioners, I experienced their need to understand the solutions because any model can only consider certain aspects of real life so that managers compensate for these by intuitively adding the missing pieces. This means that they want something they are familiar with and can control. And since EXCEL is the standard program used by companies for any kind of

calculation, managers want solutions presented in this environment (Albers 2000). Furthermore, they ask for several alternatives based on simple logic in order to better enable them to integrate the non-modeled aspects. In my opinion, this calls for increased effort geared towards finding simple, but powerful heuristics. Fischer, Albers, Wagner, and Frie (2011) developed such a heuristic and implemented it at Bayer. The managers of this large multi-national company were faced with the problem of allocating multi-million budgets for advertising and selling effort to physicians across many products and several European countries. Based on the respective dynamic mathematical program, the authors derived the optimality conditions which included variable values that must take on values in the optimum. Rather than using numerical optimization that is not utilized by managers, the authors replaced these optimal values by the respective values of the current period and showed that, due to



fixed-point properties, such a heuristic converges to the optimum if applied consecutively over time. The heuristic was very simple insofar that the budgets should be proportionally set to margin, current sales, elasticity of the respective marketing instruments, and the growth potential over the next 5 years. The authors demonstrated a profit improvement potential of half a billion Euros.

Over the past decades, many articles have been published that report the results of their estimation of response functions. The high frequency of such articles has now generated an increased interest among researchers to draw generalizable conclusions about the effectiveness of different marketing instruments. This has been done in the forms of industry analyses (Fischer and Albers 2010) and meta-analyses of elasticities (e.g.

Albers, Mantrala, and Sridhar 2010). Unfortunately, many articles only report the values of the coefficients and their significance. These values have a low information value because any generalizable conclusion depends on the context of the study; a body of generalizable insights, however, can only be generated when comparable results such as elasticities are reported. I am therefore asking editors to require the reporting of elasticities as a condition for the acceptance of a paper for publication. This would broaden our understanding of the sales response of certain marketing instruments and also allow for checks of plausibility.

Articles often lack reproducible results because data and estimation codes are not made available. The research process can be substantially expedited if this information were to be made available in web appendices.

Experience from economics also shows that offering data avoids misbehavior and allows for competitive analyses, just as software-sharing induces correctness checks. Therefore, editors of marketing journals should seriously consider implementing a policy of accepting articles for publication only if the authors are willing to make the data and estimation codes available in a publicly accessible archive.

References

- Albers, S. (2000). Impact of types of functional relationships, decisions, and solutions on the applicability of marketing models. *International Journal of Research in Marketing*, 17(2-3), 169-175.
- Albers, S., Mantrala, M.K. & Sridhar, S. (2010). A Meta-Analysis of Personal Selling Elasticities. *Journal of Marketing Research*, 47(October), 840-853.
- Fischer, Marc und Sönke Albers (2010). Patient- or Physician-Oriented Marketing: What Drives Primary Demand for Prescription Drugs?, *Journal of Marketing Research*, 47(February), 103-121.
- Fischer, M., Albers, S., Wagner, N. & Frie, M. (2011). Dynamic Marketing Budget Allocation across Countries, Products, and Marketing Activities. *Marketing Science*, 30(4), 568-585.
- Proppe, D. & Albers, S. (2009). Choosing Response Models for Budget Allocation in Heterogeneous and Dynamic Markets: Why Simple Sometimes Does Better, *Marketing Science Institute Special Report 09-202*, <http://www.msi.org/publications/publication.cfm?pub=1485>

Sönke ALBERS

Kiibne Logistics University – THE KLU

EMAC and McKinsey honor Europe's best marketing dissertations

1st Prize – Carlos LOURENCO "Dynamic Store Price Image Formation and Category Pricing"



In this essay of my PhD dissertation, we addressed two related questions: which product categories are more influential in shaping store price images (SPIs), and what drives these effects? Regarding the first question, we proposed a framework that integrates different sources of information, namely actual prices of different product categories, in a dynamic process of store price image formation over time. In a nutshell, prior to visiting a store, consumers hold uncertain beliefs about how cheap or how expensive the store is – remaining quite unsure about the actual overall price level they will face in the store. Upon a store visit, consumers have access and are exposed to category prices, and by integrating and updating these incoming price signals, consumers learn about the store's overall price level (e.g. Feichtinger et al. 1986).

Regarding the second question, our research proposed characteristics typical of what we term lighthouse categories, i.e. product categories that signal low prices, and yet constitute only a small portion of spending. We conceptualized that the over-time impact of category prices on store price image formation is shaped along two dimensions. The first dimension is the monetary value of the category for the consumer, or share-of-wallet (SOW). The second dimension captures how informative the category prices are about the store's expensiveness. This 'informativeness' depends on the extent to which the category prices are (i) accessible for the consumer and (ii) perceived as diagnostic of the overall store price level, and is linked to the characteristics of the product category.

In our empirical analysis, we applied the SPI learning model to a unique data set that combines scanner panel records on spending in grocery retail stores in The Netherlands, with longitudinal measures of store price images held by the same individual panel members for a period of four years. We found that after accounting for their share in the shopping budget of a typical consumer,

the categories better suited to signal a favorable SPI are linked to home and personal care. Managers have typically put a lot of emphasis on food and staples,¹ possibly because these categories rank high in the consumer share-of-wallet and consumers have therefore a high incentive to pay attention to their prices. But, as we showed, the link between SPI learning and SOW is not as strong as with other product characteristics, demonstrating that retailers have the possibility to select categories that contribute favorably to SPI, yet in which price cuts do not overly hurt revenue. Retailers can thus use these insights to re-consider their pricing approaches across categories – reaping higher margins in these low signaling categories, while emitting a message of cheapness through low prices in others. This finding corroborates earlier results that retailers who pay more attention to category management in setting prices, achieve higher levels of profitability (Nijs et al. 2007).

References

- CNBC (2010). Rollback those fears about wal-mart prices. http://www.cnn.com/id/36317353/Rollback_Those_Fears_About_Wal-Mart_Prices. [accessed on April 27, 2010].
- Feichtinger, G., A. Luhmer, and G. Sorger (1988). Optimal price and advertising policy for a convenience goods retailer. *Marketing Science* 7(2), 187–201.
- Nijs, V. R., S. Srinivasan, and K. Pauwels (2007, July-August). Retail-price drivers and retailer profits. *Marketing Science* 26(4).
- Wall Street Journal (2010). Wal-mart bets on reduction in prices. <http://online.wsj.com/article/SB10001424052702304198004575172271682347064.html>. [accessed on April 27, 2010].

Carlos LOURENCO
University of Antwerpen

¹ With the goal of "polishing its discount image" (Wall Street Journal 2010), the giant Wal-Mart announced recently a cut in the prices of 10,000 items, mostly food and other staples (CNBC 2010).

2nd Prize – Goran VLASIC "Essays on Market Driving Strategies"



The best way to predict the future is to create it. – Peter Drucker

Ever since market orientation was conceptualized, firms have increasingly been recognizing customers as kings, focusing on satisfying their needs, and asserted customer centrality as their key value. This narrow understanding of the marketing concept led firms to struggle in markets with diminishing profitability. Conceptually, this approach lead to Christensen and Bower's (1996) critique that being market oriented leads to customer myopia and therefore to firms' demise in the long run in face of disruptive innovations.

In the thesis I argue that, rather than merely pleasing "the king", firms should take a more active approach and become king's "grand vizier", providing counsel to him/her to make "better" decisions. In other words, rather than only being market driven, firms should take an active role and drive the markets. Market driving and market driven strategies reflect different assumptions about markets: either as exogenous to firm efforts (market driven strategies), or endogenous (market driving strategies). Depending on the assumption, one can differentiate between two distinct (but interconnected) competitive landscapes. In the first landscape, the winner in the firm which outperforms competitors at uncovering the structure of consumer's utility function and is superior on aspects that are meaningful and valuable to consumers. In the second competitive landscape, the winner is the firm that changes the structure of consumer utility function to enhance the utility perceived from its focal product.

The conceptual manuscript provides a coherent framework for market driving strategies from a consumer decision-making perspective and defines contingencies under which different market driving approaches are more valuable than others. The second contribution tests the impact of market driving vs. market driven strategies on different facets of a firm's long-term and short-term performance. Results indicate that market driving is a highly beneficial strategy, especially for profits and long term growth, but it should be considered analytically as effects of different market driving approaches (attribute, category and needs driving) are contingent on consumer,

product and environmental characteristics. Moreover, the dynamic perspective indicates that the role of market driving strategies changes over the product life cycle. The last manuscript discusses individual-, department-, and firm-level variables that have an impact on the firm's implementation of market driving strategies. At each level, knowledge breadth and risk proneness influence companies to pursue such daring strategies. In the case of market driving strategies, the marketing manager's role becomes more strategic, rather than being a mere information processing unit.

Data for this project were collected in a three-step process. First, interviews were conducted with marketing managers, CEOs, and owners of diverse companies in two European countries (developed and developing). Second, a pretest was run on a sample of marketing managers, and students of executive education programs in marketing, in the same two countries. Lastly, data were collected on 255 products with informants being the key individuals in charge of marketing activities.

Goran VLASIC
Bocconi University

3rd Prize – Dominik MAHR "Customer Co-Creation of Knowledge during the Innovation Process"



Firms increasingly tap into the knowledge of external partners to counter low rates of innovation success. Customers are such partners who – as users and buyers of firm's products – represent a unique source of knowledge. Technical advancements have empowered them to be an active source for innovation relevant knowledge that can be shared faster and at lower costs than ever before. More and more customers generate ideas for new products, prioritize firms' resources, develop entire new business units, promote innovations, and explain usage of new products to other customers. Conceptually, customers have transformed from recipients of firms' offerings and passive targets into informed, networked resources and active partners of firms. By taking over entire innovation tasks, customers co-create knowledge that is valuable for firms' innovation process. Recently, 60% of companies have started initia-

tives to co-create new products and further 24% plan to do so within five years. This dissertation examines the nature, process and impact of customer co-creation of knowledge during the development of new products, hereby addressing issues of both academic and managerial relevance. To obtain a comprehensive understanding of the topic, we triangulate it by three complementary quantitative research designs and gradually alter the perspective on the co-creation process.

Study 1 focuses on the firm by investigating how firms use and benefit from customer co-created knowledge in their innovation projects. We obtained data from a cross-sectional survey of innovation projects that involved customers in co-creation activities. The findings demonstrate that customer co-creation is most effective for the creation of highly relevant but moderately novel knowledge. Co-creation with customers who are closely related to the innovating firm produces highly relevant knowledge at a low cost. On the other hand, co-creation with lead users produces novel and relevant knowledge.

These effects are contingent on the richness and reach of the used communication channels.

Study 2 focuses on the interaction process between firms and customers by assessing the value of their contributions in a virtual community. Our research propositions relate customer characteristics to virtual community features and are validated by analyzing online contributions

for service innovation projects. The findings indicate that the value of customers' contributions stems from their ability to suggest solutions instead of simply describing problems or stating needs. The digital context favors the creation of explicit knowledge that can be easily integrated into the development of new products.

Study 3 focuses on external individuals and their routines to solve innovation problems via digital innovation networks. By means of a multi-method approach (experiment, survey, archival) we identify creative and deliberate problem solving routines and assess their impact on solving success. Our results indicate that deliberate and creative routines are both effective problem-solving means; yet their relative effectiveness depends upon solvers' degree of contextual familiarity with the problem they are trying to solve and the amount of time they invest in the solution. Moreover, when solvers attempt to use both routines, it reduces their overall success at solving the external problem.

In essence, the research provides a more fine-grained picture regarding the differential impact of customer co-creation, the identification of appropriate customers and the adequate media choice.

Dominik MAHR
Tilburg University

2012 EMAC McKinsey Marketing Dissertation Award

Shape the future of marketing

A new generation of marketing experts is developing the theories and tools that will shape the future of our field. The Marketing Dissertation Award, initiated by EMAC and McKinsey & Company, recognizes and encourages this emerging talent. This distinguished award will be presented in 2012 for the fourth time. The top three finalists will be honored with cash prizes and the chance to present their work at the EMAC conference 2012.

Increase the reach of your dissertation – apply for the Marketing Dissertation Award.

Eligibility

Doctoral students who have completed or will complete their degrees in 2011 are welcome to apply – whether their dissertations have been published or not. The institution granting your PhD must be located in Europe, the Middle East, or Africa. Your own nationality has no influence on eligibility.

Selection

Submissions will be judged based on a defined set of criteria:

- Novelty
- Relevance
- Conceptual rigor
- Methodological rigor
- Quality of expression
- Potential impact.

Award

The top three finalists will be honored with cash prizes (1st place: EUR 7,000; 2nd place: EUR 3,000; 3rd place: EUR 1,000 and will have the chance to present their research at the 2012 EMAC conference in Lisbon, Portugal.

To consider your submission, we must receive all application materials by January 31, 2012. Please submit your application via our Web site: www.marketing-dissertation-award.eu

Best Paper Based on a Doctoral Dissertation – 40th EMAC Conference

“Folks, Listen Up! My Words Matter...to Me at Least” Coping with Ambivalence through Spreading Word-Of-Mouth

Imagine that you simultaneously have positive and negative thoughts and feelings (i.e., ambivalent attitude) about, for example, the new iPad. How would that make you feel? What would you tell others about this device: positive and/or negative aspects? Would it make you feel any different at the end? And would it make a difference whether you know for sure or merely anticipate that the iPad has negative characteristics? The objective of this paper is to study different types of subjective ambivalence (i.e., knowing versus anticipating conflicting information) and to investigate whether ambivalence can be reduced by spreading Word-Of-Mouth (WOM).

Every day, consumers are confronted with an overload of product information spread by marketing as well as interpersonal communication. It is inevitable that some information can be to a certain extent conflicting. Hence, consumers may simultaneously evaluate a product or service as positive and negative, a phenomenon that is called attitude ambivalence. According to Priester and Petty (1996) even consumers with univalent (one-sided) attitudes can experience feelings of ambivalence. A consumer can have no knowledge of information that conflicts with their initial attitude, but, especially when a consumer's attitude is based on only a few information units, a consumer can anticipate that some conflicting information exists of which s/he is currently unaware. Priester et al. (2007) labeled this as having anticipated conflicting reactions. If a consumer is aware of conflicting information, s/he has manifest conflicting reactions (Priester et al., 2007). Based on the underlying type of conflicting reactions, we distinguish two different types of subjective ambivalence: manifest ambivalence which mainly results from conflicting reactions of which one is aware, whereas anticipated ambivalence arises when people are unaware of conflicting reactions, but anticipate that conflicting information exists.

Ambivalence is generally experienced as aversive (Nordgren et al. 2006; Van Harreveld et al. 2009a;

2009b), especially when both positive and negative components are simultaneously salient and accessible (Newby-Clark et al. 2002). Manifest ambivalent consumers, who have access to both positive and negative components, are well aware of their conflicting reactions, which renders ambivalence to become uncomfortable (de Liver et al. 2007; van Harreveld et al. 2009b). Furthermore, negative emotions instigate negative



WOM (Wetzer et al. 2007). That is, spreading negative WOM is a form of venting the negative emotions experienced in an aversive situation (de Matos and Rossi 2008). A first study showed that manifest ambivalent consumers, who are well aware of their conflicting reactions, experience more intense negative feelings (i.e., ambivalence aversion). Moreover, although experiencing the same level of subjective ambivalence, manifest ambivalent consumers spread more (less) negative (posi-

tive) WOM than anticipated ambivalent consumers which is partially mediated by ambivalence aversion.

The aversion accompanied by ambivalence can motivate ambivalent consumers to reduce their ambivalence by, for example, spreading a particular type of WOM. By spreading WOM to others, consumers try to convince themselves of their opinion by convincing others of the same opinion (Festinger 1957). As especially manifest ambivalent consumers experience intense negative feelings, they will be more motivated to reduce their ambivalence by spreading negative WOM. A second study showed that engaging in WOM reduces ambivalence for manifest ambivalent consumers but not for anticipated



ambivalent consumers. Ambivalence aversion fully mediates the relation between type of ambivalence and ambivalence reduction.

Our findings shed light on spreading WOM as a means to reduce subjective ambivalence. More specifically, manifest ambivalent consumers who experience high levels of ambivalence aversion reduce their ambivalence level by spreading especially negative WOM.

Anticipated ambivalent consumers experience less ambivalence aversion and do not lower their ambivalence by spreading WOM. So, it seems that for consumers who are well aware of both positives and negatives of a product or service, spreading (negative) WOM about this product/service does not only help others in forming an attitude or making a decision but also helps themselves to reduce their discomfort caused by their ambivalent attitude.

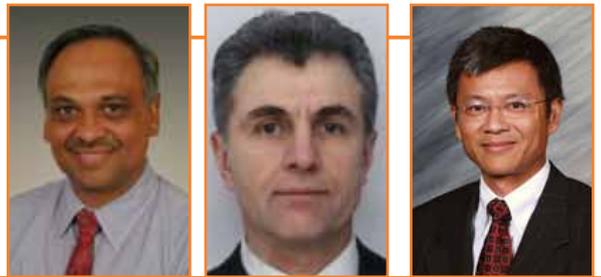
References

- de Liver, Y., van der Pligt, J. and D.H.J. Wigboldus (2007), "Positive and negative associations underlying ambivalent attitudes," *Journal of Experimental Social Psychology*, 43, 319-26.
- de Matos, C.A. and C.A.V. Rossi (2008), "Word-of-mouth communications in marketing : a meta-analytic review of the antecedents and moderators," *Journal of the Academy of Marketing Science*, 36, 578-96.
- Festinger, L. (1957), *A theory of cognitive dissonance*, Evanston, IL: Row, Peterson.
- Newby-Clark, I.R., McGregor, I. and M.P. Zanna (2002), "Thinking and caring about cognitive inconsistency: When and for whom does attitudinal ambivalence feel uncomfortable?," *Journal of Personality and Social Psychology*, 82, 157-66.
- Nordgren, L.F., Van Harreveld, F. and J. van der Pligt (2006), "Ambivalence, discomfort and motivated information processing," *Journal of Experimental Social Psychology*, 42, 252-58.
- Priester, J.R. and R.E. Petty (1996), "The gradual threshold model of ambivalence: Relating the positive and negative bases of attitudes to subjective ambivalence," *Journal of Personality and Social Psychology*, 71, 431-49.
- Priester, J.R., Petty, R.E. and K. Park (2007), "Whence univalent ambivalence? From the anticipation of conflicting reactions," *Journal of Consumer Research*, 34, 11-21.
- Van Harreveld, F., Rutjens, B.T., Rotteveel, M.R., Nordgren, L.F. and J. van der Pligt (2009a), "Ambivalence and decisional conflict as a cause of psychological discomfort: Feeling tense before jumping off the fence," *Journal of Experimental Social Psychology*, 45, 167-73.
- Van Harreveld, F., van der Pligt, J. and Y.N. de Liver (2009b), "The agony of ambivalence and ways to resolve it: introducing the MAID model," *Personality and Social Psychology Review*, 13, 45-61.
- Wetzer, I.M., Zeelenberg, M. and R. Pieters (2007), "Never eat in that restaurant, I did! Exploring why people engage in negative word-of-mouth communication," *Psychology and Marketing*, 24, 661-80.

Nico HEUVINCK

Ghent University e³ University College Ghent, Belgium

2011 Winners of the Jan-Benedict E.M. Steenkamp Award for Long-Term Impact



Readers of journal articles only see the published version. For this retrospective, we thought it would be useful to provide IJRM readers with an overview of the genesis of this paper, some of the choices we made during the course of the research project and the review process, and also offer an assessment of its impact on research in this area.

It was in 1993, a couple of years before the Internet was commercialized, that we first started thinking about the core research idea, namely, whether the online medium would bring about fundamental changes in consumer choice behaviors. Arvind was visiting Northwestern University at that time. As is the case with many research projects, the idea for this specific paper emerged from a chance encounter when he, along with Professor Lakshman Krishnamurthi, met Andrew Parkinson, the CEO of Peapod, a fledgling online grocery company located within Northwestern's business incubator. Mr. Parkinson agreed to provide data on online shopping behaviors of Peapod's customers. But, given the nascent stages of online data collection technology, we had to work with the company for several years before we could obtain data that would be useful for our research.

To develop insights about the differential effects of the online medium on consumer behaviors, we had to obtain comparable data for offline shopping. For this, we worked with Information Resources, Inc. to get data for the same period from the same physical store with which Peapod had an agreement to fulfill its shopping orders. This turned out to be a long process, which culminated successfully due to the help we received from Professor John D.C. Little. Having "matched data" eliminated a critical confounding factor that could potentially explain differential behaviors online versus offline – with our data consumers in both shopping environments had the same choice sets offered at the same prices. We also matched consumers online and offline on several observable characteristics such as age and education. An exciting initial finding was that we consistently found lower brand switching online than offline. This occurred in over 10 product categories we examined (we only used three categories in the paper).

Selection bias was a major issue raised during the review process due to potential unobserved differences between our online and offline consumers. We resolved this issue by proposing a two-stage choice model, in which medium (online or offline) was the first stage, and brand choice conditioned on medium, was the second stage. This approach was feasible because offline consumers at that time did not shop online, and the Peapod consumers we selected made more than 80% of their purchases online.

Over the years, this paper has been well cited in the top Marketing journals, MIS journals, as well as journals published in Europe, Asia, and Latin America. It has also helped shape our own future research in online marketing. We high-

light a few examples of how this paper has influenced subsequent research: (1) Lynch and Ariely (2000) and Haruvy and Popkowski Leszczyc (2010) report results comparable to ours with regard to how lower search cost online influences consumers' choices. (2) Junhong, Chintagunta, and Cebollada (2008) also find lower online price sensitivity with a better matched sample and for a larger number of product categories. (3) Shankar, Smith, and Rangaswamy (2003) find higher consumer loyalty (similar to lower switching for consumer products) for hotels booked online versus offline, a result that was found to be even stronger for high-share brands (Danaher, Wilson, David 2003). (4) Balasubramanian, Konana, and Menon (2003) find that consumer trust can be a significant antecedent of online satisfaction, and Pingjun and Rosenbloom (2005) find that satisfaction has a strong positive impact on loyalty in online markets. Of course, many interesting research topics remain to be studied because the online medium itself has evolved significantly in the past few years, particularly with regard to social media and mobile marketing, which offer new opportunities for researchers interested in how the online medium influences consumer behaviors.

References

- Lynch, John G. Jr. and Dan Ariely (2000), "Wine Online: Search Costs Affect Competition and Price, Quality, and Distribution," *Marketing Science*, 19, 1, 83-103
- Haruvy, Ernan and Peter T. L. Popkowski Leszczyc (2010), "Search and Choice in Online Consumer Auctions" *Marketing Science*, 29, 6, 1152-1164.
- Chu, Junhong, Pradeep Chintagunta, and Javier Cebollada (2008), "A Comparison of Within-Household Price Sensitivity across Online and Offline Channels", *Marketing Science*, 27, 2, 283-299.
- Shankar, Venkatesh, Amy K. Smith, and Arvind Rangaswamy (2003), "Customer satisfaction and loyalty in online and offline environments," *International Journal of Research in Marketing*, 20, 2, 153-175.
- Danaher, Peter J. Isaac W. Wilson, and Robert A. David (2003), "A Comparison of Online and Offline Consumer Brand Loyalty," *Marketing Science*, 22, 4, 461-476.
- Balasubramanian, Sridhar, Prabhudev Konana, and Nirup M. Menon (2003), "Customer Satisfaction in Virtual Environments: A Study of Online Investing," *Management Science*, 49, 7, 871-889.
- Jiang, Pingjun and Bert Rosenbloom (2005), "Customer intention to return online: price perception, attribute-level performance, and satisfaction unfolding over time," *European Journal of Marketing*, 39, 1/2, 150-174.

Alexandru M DEGERATU,
Sr. Marketing Expert, McKinsey & Co.
Arvind RANGASWAMY, *Penn State University, USA*
& **Jianan WU**, *Louisiana State University*

JRM Best Paper Award



The Chilling Effect of Network Externalities

According to Wikipedia, the phrase “to jump on the bandwagon” first appeared in American politics in the 1848 when Dan Rice, a famous circus clown of the time, used his bandwagon and its music to gain attention for his political campaign appearances. As his campaign became more successful, other politicians strove for a seat on his bandwagon, hoping to be associated with his success. This term is associated today with the case of network goods - products with network externalities, where the utility of the product increases with the number of other people that use it. A well-known example is that of fax machines: Without others that use a fax, its utility is low. Indeed, initially few people used the fax, but at 1987 as mass adoption begun, many customers quickly jumped on the bandwagon and created a very strong takeoff in sales. Such takeoffs have been observed for other network goods as well and had led many to associate network externalities with fast growth.

Yet, there is a “dark side” to the growth of network goods. Before they get to the takeoff, the utility for adopters is low, because there are not many others that use the product. The fax had been introduced in the US in the mid 1960’s and by the end of the 1960’s there were a number of respected brands available. Still, weak demand lead to managerial frustration that the product does not take off. From a financial point of view an interesting issue rises- if the growth of network goods is characterized by a slow start and then a strong takeoff, what is the overall effect on profitability, given the time value of money (reflected in the discount rate)? In other words, what is the total impact of network externalities on the Net Present Value (NPV) stemming from the new product? While the literature on network externalities in marketing and economics is rich, this fundamental question had not been addressed before this study

Understanding the role of network externalities in new product growth is challenging, because of the double role of previous adopters on the growth rate: On one hand, previous adopters help growth because they spread word of mouth on the product. In addition, the number of previous adopters creates the network externalities effect. To realize the impact of network externalities on growth, we needed to distinguish between the

two. We combined a classical diffusion model in the tradition of the Bass model with a social threshold model consistent with the collective action literature in sociology, and applied two mechanisms toward this goal. The first is an agent-based model to simulate the growth of the market for a given network good. This bottom-up approach enables us to understand how individual-level network goods decisions aggregate to market phenomena. We compared the profitability of similar growth processes with and without network externalities respectively, and examined how market characteristics affect the difference. At the second stage, we used an aggregate diffusion modeling approach that enables an analogous analysis using market-level data.

Using both approaches we found that contrary to conventional wisdom of many managers and academics, network effects have an overall “chilling effect” on the profitability of new products. While indeed the bandwagon effect can lead to fast growth later on, the possible decrease in growth rate early on, and the effect of the discount rate, create a general reduction in the net present value. The result was consistent and strong across a wider range of parameter values checked.

The increasing ubiquity of network externalities among new products emphasizes why these results are critical for planning and profit calculation in contemporary markets. In addition, these results highlight the role of time in valuing innovation growth, and demonstrate how agent-based models become such an important tool to better understand the growth and impact of new products.

Jacob GOLDENBERG,
Hebrew University of Jerusalem, Israel
Barak LIBAI,
the Interdisciplinary Center (IDC), Herzliya, Israel
& Eitan MULLER,
Tel Aviv University, Israel / New York University, USA

40th EMAC Conference - Ljubljana



Ljubljana EMAC gathering: A fruitful day after

EMAC 2011 successfully brought global marketing knowledge and expertise from all over the world together in the spirit of this year's conference topic "The Day After: Innovation, Inspiration, Implementation". 731 participants from 41 countries explored what Slovenia is and how the organisers, the Faculty of Economics at the University of Ljubljana, develop and contribute sustainable and qualitative knowledge in the field of marketing.

This year 791 papers were submitted and 418 were accepted in 20 tracks, in addition to 11 special interest group sessions and 3 special invited sessions. The doctoral colloquium received 142 submissions, 60 of which were selected for the consumer behaviour, marketing mix instruments, and strategy and Internet tracks that



"From Genesis to Fruition" – In memory of Susan Douglas



Sonke Alberts and EMAC/ANZMAC fellows meeting

were directed by 16 faculty members and the chair Andreas Herrmann from the University of St. Gallen, Switzerland.

We started the plenary session and the day of inspiration with "moments for awakening". On Wednesday 25 May, EMAC 2011 was officially opened and immediately after the opening addresses given by the Dean of the Faculty of Economics, Dušan Mramor, the EMAC President Veronica Wong and the Chair of EMAC 2011 Maja Makovec Brencic, two inspiring presentations followed. The panel session introduced the leading motto of this year's EMAC: Inspiration, Innovation, Implementation. "Mind engineer" Lior Manor certainly woke the audience up by demonstrating in an unusual way how important it is to pay attention to our surroundings, be able to read the signs and know how to interpret them. EMAC 2011 was also dedicated to sustainability and one of the critical related aspects human kind needs to pay attention to is climate change. We need to understand how we – as producers and consumers – contribute to today's situation. Climate scientist Lučka Kajfež Bogataj presented her views on the causes and consequences of climate change. She has authored and co-authored more than 90 scientific studies, over 400 papers and articles and the book "What Does Climate Change Bring Us?". The opening event was followed by competitive papers, special interest group sessions (SIGs) and special invited sessions (SIS), meet-the-editors session, a head of marketing forum, an MSI invited session and reception, the job market, the poster opening, and the IJRM board meeting.

After the day for inspiration, the second day (May 26) was dedicated to innovation: a presentation of competitive papers, SIGs and SIS, special invited sessions, the EMAC fellows meeting, the climber community meeting, and the general assembly. The main focus of the day was a special EMAC 40th anniversary panel session "From Genesis to Fruition" dedicated to the memory of Susan Douglas, one of the EMAC founders. The distinguished scholars and founders of EMAC dedicated their research thoughts to Susan Douglas' contribution to global marketing academia.

Friday May 27 was dedicated to implementation. This was a day for awards and fruitful co-operation, including the EMAC McKinsey Marketing Dissertation Award, the Inaugural EMAC Distinguished Marketing Scholar Award, the EMAC/ANZMAC fellows meeting, and the

ANZMAC–BIGMAC Symposium, which brings global marketing initiatives together.

EMAC 2011 would not have been as joyful and creative as it was if there had not been enough opportunities to network and time for fruitful conversations with academic colleagues. The social part of the programme was designed so as to inspire every participant and to gain impressions about the unique Slovenian landscape, food and wine, traditional music and people's warmth. The first opening ceremony and reception "Taste Slovenia"



EMAC 2011 at Faculty of Economics, University of Ljubljana



EMAC 2011 awards at closing ceremony

was held at the FELU premises and offered an insight into Slovenian wines. The opening ceremony on Wednesday 25 involved a gathering at the one of the most spectacular sights in Ljubljana, the Ljubljana Castle. We enjoyed a magical view across the old town of Ljubljana resplendent in the colours of late spring, along with some Slovenian gourmet delights.

As is appropriate for a 40th birthday, we lit candles on the EMAC cake at a gala dinner at Cankarjev dom (the

Cankar Hall), the biggest cultural centre in the heart of Ljubljana. The closing ceremony linked the history with the future. We listened to Ljuben Dimkaroski who played on a replica of a 55,000-year-old »whistle« that was found in Slovenia, we had a look at an overview of EMAC's first 40 years and listened to Perpetuum Jazzile, an amazing young Slovenian a cappella jazz choir.

We believe that the closing event together with the academic programme and the entire conference persuaded every individual participant that Slovenia is indeed a beautiful part of the world, with a stable economy and prosperous knowledge development that is worthwhile visiting again. For a few sunny days the Faculty was the place where the world's best and brightest interactive marketers came together to make a positive difference for "The Day After".

Without you, dear participants, there would have been no EMAC 2011 and we express our sincere thanks to each of you. Your energy brought life to even the tiniest parts of the programme and made it particularly special.

Special thanks also go to everyone who in any way contributed to the unique event, and to the EMAC board which gave us the opportunity to organise the jubilee congress. Hopefully, you will share our opinion that EMAC 2011 was a truly memorable event!



EMAC 2011 closing ceremony and gala dinner

Maja MAKOVEC BRENCIC
& Ljubljana EMAC
organizing team
University of Ljubljana

41st EMAC Conference, Lisbon



“Marketing to Citizens: Going Beyond Customers and Consumers”

ISCTE Business School, Lisbon – Portugal 22-25 May 2012

Theme

After a successful EMAC conference in Ljubljana, ISCTE Business School is getting ready to host the next conference in Lisbon 2012.

The main theme of the conference is “Marketing to Citizens: Going Beyond Customers and Consumers”. Marketing is increasingly facing new challenges coming from globalization and technology revolution, consumer empowerment, population growth and aging, energy consumption and global warming, environmental conscious consumption and sustainable development, just to name a few. We are inviting you to submit research and share thoughts on how marketing can play a relevant role in society by dealing with these and other issues, looking at consumers on a more comprehensive view as citizens. You may find more about the EMAC 2012 Conference theme, the call for papers, tracks, SIGs as well other relevant information at www.emac2012.org

ISCTE Business School

ISCTE Business School (IBS) is a leading Portuguese business school with a growing international reputation. Its goal is to contribute to the advancement of management by offering high quality education, provided by a faculty rec-



ISCTE Business School

ognized for its dedication to teaching and research. IBS has established innumerable partnerships and protocols with universities all over the world. There is a strong demand for its students in the job market and unique employment a.

ISCTE Business School is strategically located in the centre of Lisbon, a ten minute drive away from the airport. It is directly served by a subway station and a number of convenient city buses that provide fast and easy access to almost everywhere in the city. There are a number of hotels within walking distance as well as restaurants, shops and one of Lisbon's largest sports and recreational facilities. Although it is located in the centre of Lisbon, the ISCTE campus offers a peaceful atmosphere with plenty of fresh air and open space. The facilities include four buildings (45,000 m²), the most recent of which was awarded the Valmor Prize, Portugal's most prestigious architectural award

Curiosities about Portugal



Grande Auditório

- Founded in 1139
- With an area of 92,090 sq.km and a population of 10,5 million inhabitants, it is situated in southwestern Europe on the Iberian Peninsula
- The Atlantic archipelagos of the Azores and Madeira are part of Portugal

- Portugal pioneered the Age of Discoveries in the 15th and 16th centuries, expanding western influence and establishing an empire that included possessions in Africa, Asia, Oceania, and South America.

Its empire was the first global one in history and also the longest lived of the European colonial empires, leaving world heritage sites in all the continents of the world.



Cascais (Lisbon Metropolitan Area)

- Portuguese is the fifth-most spoken language in the world counting with more than 300 million speakers.
- Member of the European Union and a founding member of OECD, NATO, the Latin Union, Organization of Ibero-American States, and the Community of Portuguese Language States.



Sintra (Lisbon Metropolitan Area)

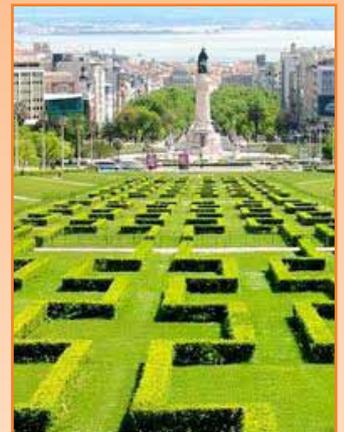
Lisbon

- Lisbon is the westernmost capital city located in Europe, and the only one along the Atlantic coast.
- Lisbon, one of the oldest cities in the world, has World Heritage sites listed by UNESCO such as Belem Tower and Jerónimos Monastery.



Jerónimos Monastery

- Lisbon is the 25th most livable city in the World according to lifestyle magazine Monocle. It is the tenth richest metropolitan area by GDP on the European continent.
- In 1994 Lisbon was the European Capital of Culture and in 1998 organized the Expo '98 (1998 Lisbon World Exposition).
- Overlooking the Tagus River, Parque das Nações is the newest district in Lisbon, having emerged from the World Exhibition of Lisbon 1998: restaurants, gardens, the Lisbon Casino, the FIL building (International Exhibition and Fair), the Camões Theatre, Atlantic Pavillion as well as a must see the Oceanário de Lisboa (Lisbon Oceanarium), the second largest in the world.



Parque Eduardo VII

We look forward to welcoming you soon in Lisbon.

Paulo RITA
Conference Chair - ISCTE – Lisbon University Institute



Inaugural Meeting and Further Developments

The inaugural CC meeting represented the official kick-off of the EMAC's Climber Community (CC) initiative. It took place as an independent session at the 40th EMAC conference in Ljubljana, and counted 42 participants from 12 countries. This new platform does not (only) target mountaineering aficionados, but academics at an early stage of their career, which hold a post-doc position (e.g.: assistant professor, research fellow, etc.) in marketing; the "climbers" of the European Marketing Academy.

Welcome

The international participants went through an information registration process and submitted a 1-page CV, including information on their biography, main 3 publications, and research interests. When entering the session's room, these CVs were pinned on the wall, and facilitated networking between the attendees right from the start. After Melanie Zaglia introduced the EMAC's CC initiative and explained background and the community idea, Veronica Wong, the president of the EMAC, welcomed the young scholars. She encouraged the initiative by relating the CC to an analogy of the early years of the EMAC. Veronica also highlighted the importance of young marketing scholars for the future of the EMAC, and wished the CC good luck.

Keynote speech

Peter Leeflang, founding member of EMAC and an excellent researcher with an impressive CV, subsequently gave a keynote speech about 22 lessons he had learned throughout his career. Among other issues, he talked about relevant research topics, managerial relevance of research projects, importance of empirical data, knowledge of multiple methodologies, journal choice, a good scientific environment, synergies between research and teaching, the role of cooperation with eligible people, external funding, and the essential contribution to marketing theory. Throughout his presentation, he constantly gave insights and recommendations for the participants regarding the tenure process. Finally, he also pointed out the importance of building the right network, and expressed his support for the CC. His provoking speech was followed by a discussion with the participants, which provided food for thought even well after the CC session.

Networking

To enhance networking activities between participants, all attending young scholars introduced themselves, and gave information about their affiliation and research interests.

This led to an exchange of business cards, highlighting of common research areas, and allowed specific contacts between the young scholars after the formal part of the CC meeting. Participants represented 12 countries: Austria, Belgium, Croatia, Germany, New Zealand, Norway, Poland, Slovenia, Sweden, Switzerland, Netherlands, and United Kingdom. Therefore, diversity was provided in terms of individual research interests, as well as cultural backgrounds and current career challenges. However, the young scholars shared an interest in building an international platform with people at the same stage of their career.

Emerging ideas

Another topic of the agenda was to discuss emerging challenges and possible solutions for CC members. This first CC meeting dealt with a perceived increase in pressure to spend at least a limited period gaining international experience during the young scholar's career stage. Particular attention was paid to the lack of an institutionalized support system, and limited funding, in many European countries for such young scholar exchanges. In this regard one CC member, Sylvia von Wallpach, introduced the idea of a 'young scholar exchange program' and initiated the discussion on this topic. CC members talked about the situation at their universities, gave feedback, and explained different countries' solutions for this issue.

CC development

Finally, the question of where the CC goes from here was raised. Aside from the mutual agreement regarding the background, intention, and goal of the CC, possible outlets of future meetings and next steps were discussed. In general, participants gave very positive feedback to the initiative itself, and confirmed that such a community is needed by young scholars. However, they asked for additional services to be offered by the CC, as well as a strengthening and development of the community. Specifically, they asked for an improvement of the online platform, and some modifications to the format of future meetings at the EMAC. CC members highlighted the

need for longer meetings, which allow more topics to be covered in-depth, and increase active participation of each individual. These young scholars would find particular use for personal interactions with more top professors, mentoring sessions (questions and answers; challenges for young scholars...), and workshops on specific topics (e.g., new research methods, tenure process in different countries, how to apply for funding...). All suggestions were summarized and have been proposed to the Steering Committee of the EMAC. In their next meeting at the end of October, they will discuss the CC's proposal; further steps will be taken thereafter.

In the meantime: You can join us online

In addition to the actual CC-meeting at the EMAC in Ljubljana, two groups within the social networks LinkedIn and Facebook were opened. Their aim is to facilitate networking activities and social exchange between climber community members. Updates on next steps, new developments, and future CC meetings will

also be posted on these two websites.

LinkedIn: http://www.linkedin.com/groups?about=&gid=3836584&trk=anet_ug_grppro

Facebook: https://www.facebook.com/#!/home.php?sk=group_158038720919335&ap=1

Dear EMAC member, we would like to invite you to join the CC! Young scholars looking to connect with international academics at the same stage of their career are encouraged to take part in the online discussions and interact with other CC members. However, experienced EMAC members are also invited to join the network and contribute to the online discussion as mentors. For further information, please feel free to contact Melanie E. Zaglia (melanie.zaglia@uibk.ac.at).

We are looking forward to hearing from you; please send us your feedback, ideas and suggestions for the EMAC's CC via email, or post on the walls of the social network groups!

Melanie E. ZAGLIA

*University of Innsbruck, School of Management
National Coordinator, Austria*

24th EMAC Doctoral Colloquium

Ljubljana, Slovenia, May 22-24, 2011

Another successful doctoral colloquium.

The European Institute for Advanced Studies in Management (EIASM) and the European Marketing Academy (EMAC) in collaboration with University of Ljubljana, Faculty of Economics, organized the 24th Colloquium for doctoral students in marketing.

The colloquium provides outstanding doctoral students in marketing who want to pursue a career in academics with an opportunity to discuss their dissertation research with other doctoral students and leading academics in the field of marketing.

A big thanks to all Andreas Hermann, the Chair of the Doctoral Colloquium and all the faculty members who have contributed to make this event a fruitful experience for the 60 students attending the colloquium

EMAC Doctoral Colloquium Organising Team



Patterns and Regularities in the European Marketing Academic Community

A Social Network Analysis of EMAC Annual Conferences

Objectives and method

A trend towards co-authorship has been observed across many academic disciplines, driven by factors such as an increase in scientific specialisation and the emphasis by grant providers on collaborative project proposals.

Although research communities grow naturally over time, they are often comprised of “small worlds” where the average separation between individual researchers is shorter than would appear from random data. Various research communities have been found to be highly clustered (e.g. Newman, 2001; Henneberg et al, 2009), with some researchers collaborating extensively and thus linking different parts of the network. A degree of preferential attachment has also been observed, where there is a tendency towards being organised around institutions and specific research groups (Eaton et al, 1999; Barabási et al., 2002; Liu et al, 2005).

Social Network Analysis (SNA) has long been used as a tool for conducting citation analyses (e.g. Zinkhan et al, 1992), whilst less attention has been paid to applying SNA in a conference setting (e.g. Vidgen et al, 2007; Henneberg et al, 2009). In this essay, we examine the patterns and regularities which characterise EMAC members’ choice of co-authors, thus providing insights into the structure of the European marketing academy community. Building on the assumption that social relationships provide the foundation for co-authorship, we use an SNA of EMAC conference proceedings in 2007 and 2010 to investigate two issues: what are the characteristics of the structure of the EMAC co-authorship network, and which factors influence the choice of collaboration partners for joint publications in the EMAC collaboration network?

SNA provides a structured way of analysing the relationships that exist in informal networks of people, teams, departments or even entire organisations (Cross et al, 2001; Wasserman and Faust, 1994). In our case, SNA can be used to help understand the structure of informal networks of academics collaborating on research papers given the absence of any formal organisational hierarchy in the academic network. Data for our investigation was retrieved from the EMAC proceedings and consisted of co-authored research papers. Authors

were identified by surname and care was taken to remedy potential problems of coherence among proceedings.

Results and discussion

We use two measures in order to understand the structure of the academic cooperation network, namely the density of the network and the diameter of the network. The density of the network is the percentage of all possible ties that are actually present in a network, and this measure tells us the ‘strength’ of the network, that is, if one actor is removed, how will this affect the structure of the network. The diameter of the network is the number of steps that are necessary to get from one side of a network to the other, and tells us if a network exhibits ‘small world’ properties, that is, a relatively unobstructed diffusion of theories and ideas and easiness of communication among network members. As not all members of the entire network (all conference participants) are linked to each other, we look at the densities and diameters of individual components, that is, sub-networks where all individuals are connected to each other. The largest components (we focus on the largest three components) are interesting in our context as they tell us who has social relationships with whom and thus are likely to ‘hold the key’ to a larger collaboration network with access to different types of knowledge.

The densities of the three largest components in 2007 and 2010 are relatively small (Table 1); this, in combination with the increasing total number of actors, indicates that the network over the years becomes more sparsely connected. This increases the risk of network fragmentation should a key actor decide not to co-author a paper at EMAC. The diameters of the components, however, show that all but one display ‘small world’ properties (diameter ≤ 5); the largest component in 2010 (Figure 1) has a diameter of 6 and as such is the first component demonstrating ‘large world’ properties. If this trend continues it indicates that the EMAC research community may be becoming more loosely structured at the level of the individual components, making knowledge transfer across all actors in the components more difficult.

The most interesting result to emerge from the study, however, is that there is a strong or very strong tendency for the majority of actors within each of the components to come from a limited number of institutions located in one country or in countries with very close geographical and cultural proximity (Table 2). This finding supports the results of previous research (Liu et al.,



2005; Morlacchi et al., 2005). An explanation for this might be preferential attachment, as some actors may prefer to collaborate with actors of close personal proximity to themselves. Another possible explanation could be that small groups of researchers interact socially and have developed certain ties that in turn develop into professional working relationships.

Another interesting result is the extent to which the actors in the components are grouped according to subject track, that is, whether co-authored papers are presented in a small number of tracks. Two of the components in 2007 displayed no track-based clustering whatsoever, whilst there was a higher level of track-based clustering in 2010. This indicates that papers are being co-authored across subject boundaries with the subsequent increase in information flows, as it appears that central actors tend to change collaboration partners within each component according to the topic of the research papers. The central actors in the largest components have all worked on more than one track. This observation could lend support to the tendency towards specialisation, although it is unclear whether the central actors possess the scarce competencies themselves or are the anchor-points between groups of specialists. Therefore, despite an increasing number of tracks per component, social and/or geographic proximity continues to prevail over scientific proximity in the way EMAC network members choose their collaborators.

Conclusions and Implications

Using SNA, this essay aims to explore the characteristics of the structure of the EMAC collaboration network and investigate the factors that influence the choice of collaboration partners. We found the primary driver of choice of co-author was close geographical and cultural proximity, as there was a tendency for members of the EMAC community to be organised around institutions in the same or culturally close countries rather than subject track. This points towards EMAC being a loosely connected network of scientists with a generally introvert and moderately risk-averse collaboration culture.

Our results raise a number of issues that can be used as a basis for discussion on the nature of the EMAC paper selection process. First of all, EMAC could prioritise papers that are co-authored across national borders; this may lead to higher-impact research, but there is a risk of excluding centres of excellence at specific institutions. A second option could be to limit the number of papers a

specific person can co-author; this would allow for a greater (and arguably more diverse) number of participants, although this may limit the contribution of key scholars. A more contentious issue is that of the purpose of the paper; a large number of co-authors on a single paper may indicate a high-quality submission, drawing on the expertise of numerous scholars, or it may be an expression of using EMAC for social purposes. When all is said and done, one fundamental question remains: do we actually want - or need - to influence the way in which European Marketing Academy members choose their co-authors?

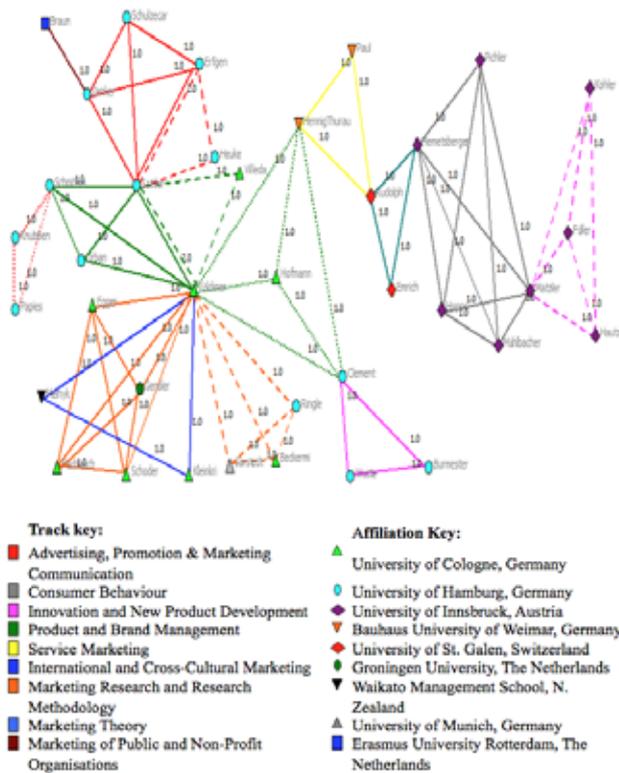
Table 1. EMAC network connection and distance indicators, selected years

| Year | Total no. of actors in network | No. of actors in three largest components | Density of three largest components | Diameter of three largest components |
|-------------------------------|--------------------------------|---|-------------------------------------|--------------------------------------|
| 2007 36 th EMAC | 916 | 24 | 0.0797 | 4 |
| | | 19 | 0.0965 | 5 |
| | | 14 | 0.1264 | 3 |
| 2010 39 th EMAC | 893 | 37 | 0.0541 | 6 |
| | | 24 | 0.0833 | 3 |
| | | 15 | 0.0952 | 2 |

Table 2. Main clustering tendency of EMAC network, selected years

| Year | Component | No. of countries | No. of Institutions | Geographical clustering | No. of tracks | Track-based clustering |
|------|-----------|------------------|---------------------|-------------------------|---------------|------------------------|
| 2007 | 1 | 5 | 9 | YES (strong) | 9 | NO |
| | 2 | 4 | 9 | YES (weak) | 5 | YES (moder.) |
| | 3 | 2 | 8 | YES (v. strong) | 6 | NO |
| 2010 | 1 | 4 | 9 | YES (v. strong) | 9 | YES (weak) |
| | 2 | 4 | 6 | YES (v. strong) | 7 | YES (strong) |
| | 3 | 4 | 5 | YES (v. strong) | 4 | YES (moder.) |

Figure 1. Main component of the EMAC network, 2010



References

- Barabási, A. L., Jeong, H., Néda Z., Ravasz, E., Schubert, A. and Vicsek, T. (2002): Evolution of the Social Network of Scientific Collaborations. *Physic A: Statistical Mechanics and its Applications*, 311 (3-4), pp. 590-614.
- Cross, Rob, Parker, Andrew, Prusak, Laurence and Borgatti, Stephen (2001): Knowing What We Know: Supporting Knowledge Creation and Sharing in Social Networks. *Organisational Dynamics*, 30 (2), pp. 100-120.
- Eaton, John P., Ward, James C., Kumar, Ajith and Reingen, Peter H. (1999): Structural Analysis of Co-author Relationships and Author Productivity in Selected Outlets for Consumer Behavior Research. *Journal of Consumer Psychology*, 8 (1), pp. 39-59.
- Henneberg, Stephan, Jiang, Zhizhong, Naudé, Peter and Ormrod, Robert (2009): The Network Researchers' Network: A Social Network Analysis of the IMP Group 1984-2006. *The IMP Journal*, 3 (1), pp. 28- 49.
- Liu, Xiaoming, Bollen, Johan, Nelson, Michael L. and Van de Sompel, Herbert (2005): Co-authorship in the Digital Library Community. *Information Processing and Management*, 41, pp. 1-28.
- Morlacchi, P., Wilkinson, I. F. and Young, L. C. (2005): Social Networks of Researchers in B2B Marketing: A Case Study of the IMP Group 1984-1999. *Journal of Business-to-Business Marketing*, 12 (1), pp. 3- 34.

Newman, M. E. J. (2001): Who is the Best Connected Scientist? A Study of Scientific Coauthorship Networks. *Physics Review E*, 64, pp. 1-17.

Vidgen, Richard, Henneberg, Stephan and Naudé, Peter (2007): What Sort of Community is the European Conference on Information Systems? A Social Network Analysis 1993-2005. *European Journal of Information Systems*, 16, pp. 5-19.

Wasserman, Stanley and Faust, Katherine (1994): *Social Network Analysis – Methods and Applications*. New York: Cambridge University Press.

Zinkhan, George M., Roth, Martin S. and Saxton Mary Jane (1992): Knowledge Development and Scientific Status in Consumer-Behavior Research: A Social Exchange Perspective. *Journal of Consumer Research*, 19, pp. 282-291.

Athanasios KRYSTALLIS, Aarhus University
Robert ORMROD, Aarhus University
 & **Katrine Volke CHRISTENSEN**, Aarhus University

3rd EMAC CEE Regional Conference

Belgrade, September, 12th-14th, 2012

The first steps toward establishing EMAC CEE Regional Conference go back to 2007 when a group of scholars from the region gathered at the Faculty of Economics and Business in Maribor (Slovenia) and created a forum that attracted researchers dealing with market development issues. The conferences titled Marketing Theory Challenges in Transitional Societies - MTC were organized in the two consecutive years in Zagreb, Croatia (2008) and again in Maribor, Slovenia (2009). In 2009, in line with the EMAC policy regarding extensions of its activities, it was agreed that MTC will continue to exist under a new title - EMAC CEE Regional Conference - Marketing Theory Challenges in Emerging Societies. The first EMAC CEE Regional Conference (4th MTC) was organized at Corvinus University of Budapest, Hungary 2010, followed by the 5th MTC at the Alexandru Ioan Cuza University in Iasi, Romania 2011.

Faculty of Economics - University of Belgrade, the hosting institution of the 6th MTC, cordially invites marketing researchers all over Europe and beyond to submit papers in all specific fields of marketing including but not limited to marketing theory, marketing strategy, marketing research, consumer behaviour, international and cross-cultural marketing, social marketing, internet and social media marketing, business-to-business marketing, non-profit and public organizations marketing, advertising and marketing communications, services and tourism marketing, marketing channels and logistics, marketing of innovations. For more information:
<http://www.ekof.bg.ac.rs/emacregional>

In Memory of Susan Douglas



The theme of the 40th EMAC Annual Conference in Ljubljana is The Days After- Inspiration, Innovation, Implementation. I will talk about The Days Before – and add a third “I”, Initiative. Before EMAC became a formal professional association in 1975 there were four Annual Workshops in Marketing. Initiative and Inspiration in the early years came from Susan Douglas, associate professor at HEC in the 1970s. EIASM, established in 1971 to promote doctoral education and advanced research in management contributed in terms of networking Innovation and organizational Implementation. Susan Douglas took the initiative to organize a first Workshop in Marketing at HEC in June 1972. Harry Davis from University of Chicago and myself, both resident faculty members at EIASM helped with ideas and contacts. Some 25 participants, dominated by researchers from northwestern Europe, gathered at Jouy-en-Josas and got a chance to listen to a pioneering marketing scholar, Reavis Cox. Already in early Fall 1972 Susan suggested that we should create a professional association, tentatively named EMEA, European Marketing Education Association. A second, now “Annual” Workshop in Marketing was organized at the recently established IIM, International Institute of Management in West Berlin, in a villa in Dahlheim. Susan took the lead in preparing the program, helped by us at EIASM and Bill Matthews at IIM. This time the number of participants had increased to some 35. Word had spread about these meetings and several well known scholars like Peter Leeflang, Johan Arndt, Phillippe Naert, Jean-Jacques Lambin, Gösta Mickwitz, Andrew Ehrenberg, Peter Hamman, Peter Doyle attended for the first time. In 1974, EIASM became host for the workshop, the number increased somewhat, but we still did not need more than two seminar rooms at EIASM’s premises. However, at the Fourth Annual Workshop in Marketing, at the Copenhagen Business School, there

were more than 100 participants! During the workshop the EAARM, European Academy for Advanced Research in Marketing was formally established. Phillippe Naert became the first President and Susan Douglas the first Vice President. 8 country representatives were elected. 61 members signed up with Belgium, Sweden and the Netherlands accounting for more than half. The secretariat was first at EFMD, European Foundation for Management Development and was later transferred to EIASM. The first EAARM newsletter appeared in 1975, edited by Susan Douglas. Networking accelerated.

The history of the name of the association is of some interest. In 1972 Susan suggested EMEA. Later EARM, European Association for Research in Marketing was considered more appropriate. But not so by ESOMAR who considered it to infringe on its brand. Thus the solution was to add an A for Advanced. In 1982, the name was changed to EMAC.

In the early 1970s academic research in marketing in Europe was based on a very diverse history and institutional background with little interaction or mutual awareness between researchers in different countries and regions. The formative years of EMAC contributed importantly to remedy this situation and to contribute to quantitative and qualitative growth of European research in marketing, recognizing European diversity. Since we, who were involved in the “genesis” of EMAC, with few exceptions were in our thirties, we have had the pleasure to take part in this evolution during several decades.

Lars-Gunnar MATTSSON
Stockholm School of Economics

Executive Committee

| | |
|----------------------------|--------------------|
| President | Veronica WONG |
| Past-President | |
| President-Elect | Udo WAGNER |
| Vice Presidents: | |
| Conferences | Gabriele TROILO |
| Membership | Peter VERHOEF |
| External Relations | Roland RUST |
| Publications | Sönke ALBERS |
| Treasurer | Gerrit VAN BRUGGEN |
| Ex Officio | |
| IJRM Editor | Marnik DEKIMPE |
| Executive Secretary | Nina PAYEN |

NATIONAL COORDINATORS

| | |
|------------------------|-----------------------------|
| Australia | John ROSSITER |
| Austria | Melanie ZAGLIA |
| Belgium | Luk WARLOP |
| Brazil | Mauro LARUCCIA |
| Canada | Susan REID |
| Croatia | Durdana Ozretic DOSEN |
| Denmark | Suzanne C. BECKMANN |
| Finland | Kristian MÖLLER |
| France | Arnaud DE BRUYN |
| Germany | Henrik SATTLER |
| Greece | Paulina PAPASTATHOPOULOU |
| Hungary | Zsofia KENESEI |
| Ireland | John FAHY |
| Israel | Renana PERES |
| Italy | Elisa MONTAGUTI |
| Japan | Hirota AOKI |
| Korea | Kyuang HOON KIM |
| New Zealand | Juergen GNOTH |
| Norway | Tor W. ANDREASSEN |
| Portugal | Claudia SIMOES |
| Romania | Daniel SERBANICA |
| Russia | Maria SMIRNOVA |
| Serbia | Galjina OGNJANOV |
| Slovenia | Vesna ZABKAR |
| South Africa | Steven M. BURGESS |
| Spain | Salvador RUIZ |
| Sweden | Anders GUSTAFFSSON |
| Switzerland | Harley KROHMER |
| The Netherlands | Tammo BIJMOLT |
| Turkey | Elif KARAOSMANOGLU |
| U.K. | Robin WENSLEY |
| U.S.A. | Gary L. LILIEN |

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 50 different countries in all five continents.

EMAC also organises an Annual Conference that is hosted by major universities or scientific institutes all over Europe. This provides a yearly 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 during the same week at the same place.

EMAC has launched 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:

Veronica Wong
Udo Wagner
Nina Payen

EMAC Secretariat:

c/o EIASM
Place de Brouckère 31
1000 Brussels
Belgium
Tel : +32 2 226 66 60 - Fax : +32 2 512 19 29
E-mail: emac@eiasm.be