WELCOME LETTER

Thank you for joining us for our third annual conference, Carlson on Metrics, presented by the Institute for Research in Marketing at the University of Minnesota’s Carlson School of Management. This year our conference brings together leading scholars and industry experts to discuss the latest developments in industry practice and academic research on marketing metrics.

During the next few days, you’ll have the opportunity to discuss topics as diverse as metrics for new media, long-term measures of marketing effectiveness, innovation and growth, and the optimization of distribution channel expenditures. Even more valuable, you’ll learn approaches being taken by top thought leaders in marketing today.

Through outreach initiatives such as Carlson on Metrics, the Institute for Research in Marketing provides a forum for dialogue among marketing scholars, industry practitioners, policymakers, and students.

I hope that after the conclusion of this conference, you will continue to look to the Institute for Research in Marketing as an important resource to help keep you at the forefront of thinking on marketing.

Best wishes and welcome,

Rajesh K. Chandy
James D. Watkins Chair in Marketing
Co-Director, Institute for Research in Marketing
TABLE OF CONTENTS

Welcome ..................................................................................................................1
Schedule .............................................................................................................. 3-6
Industry Speakers ............................................................................................ 7–9
Academic Speakers ........................................................................................ 10–12

INSTITUTE FOR RESEARCH IN MARKETING
THIRD ANNUAL CONFERENCE
MAY 21–23, 2008 • CARLSON SCHOOL OF MANAGEMENT, MINNEAPOLIS, MN

SCHEDULE

WEDNESDAY - MAY 21, 2008
6:00–7:30 p.m. Welcome reception, Carlson School Atrium

THURSDAY - MAY 22, 2008
7:00–8:30 a.m. Breakfast and registration, Carlson School Atrium
8:30 a.m. Welcome and opening remarks, 3M Auditorium

PART I EFFECTIVE MEASURES: DETERMINING THE TRUE IMPACT OF MARKETING

SESSION CHAIR: Patricia D. Hughes, GfK Custom Research North America

8:45–9:30 a.m. Long Term Impact of Marketing Spending
Dominique M. Hanssens, Anderson School of Management, UCLA
To be true investments, marketing expenditures must enhance the long-term financial health of the brand and the firm. Long-term impact, however, is a fuzzy term which is sometimes used as an excuse for the lack of visible short-term effects. Hanssens will clarify long-term impacts of marketing spending, making the distinction between single marketing actions and ongoing marketing strategies and emphasizing the critical role of performance metrics through the use of research projects and case study examples. Hanssens argues that “the long run” has no fixed end-point and may well be measurable in the short-term.

9:30–10:15 a.m. Evaluating the Business Impact of Brand Perceptions
James S. Henney, Wells Fargo
In this presentation on why—and how much—brands matter, Henney will describe Wells Fargo’s development of a quantitative, testable, regression-based approach to assessing and predicting the impact of brand health metrics and their underlying drivers on company economics. This approach combines survey-based customer perceptions data with actual consumer behavior measures, helping to address costs, benefits, and overall brand strength.

10:15–10:30 a.m. Break

10:30–11:15 a.m. Stronger Relationships, Better Results: New Metrics of Loyalty and Engagement
Linda Vytlacil, Carlson Marketing
In this presentation from Carlson Marketing, new research gets at the heart of what drives loyalty, engagement, and relationship strength. Vytlacil takes a look at the effectiveness of structured relationship marketing efforts, one-to-one strategies, and the state of stakeholder relationships with company brands across sectors to answer burning questions on the minds of many marketers.

11:15–12:00 p.m. Marketing Effectiveness: Beyond ROI
Gordon Wyner, Millward Brown, Inc.
Improving marketing effectiveness takes more than a single analytical approach or metric. Wyner will present practical steps for tailoring a disciplined process to evaluate several measures of success. This presentation will address practices such as how to assess a company’s performance against strategic goals, how to analyze data and create models, and how to apply and update results continuously. With this unified approach, marketers are better able to establish priorities and create a path for increased accountability and better business performance.

12:00–12:15 p.m. Session Summary
12:15–1:30 p.m. Lunch
PART II LEVERAGING DATA: MAKING THE MOST OF METRICS

SESSION CHAIR: Deborah Roedder John, Carlson School of Management, University of Minnesota

1:30–2:15 p.m. Leveraging Loyalty Card Data to Measure ROI
Adrian Sosa, CVS Caremark

With over 50 million active cardholders in its database, CVS/pharmacy has the largest retail loyalty card program in the U.S. Sosa will discuss the history of this successful customer program and explain how CVS leverages their cardholder loyalty data to better understand the impact of circular promotional lift and measure ROI on their direct to consumer marketing programs.

2:15–3:00 p.m. Customer Value in a Networked Society
Sunil Gupta, Harvard Business School

One popular metric for demonstrating marketing ROI is customer lifetime value (CLV), the present value of all future profits generated by a customer. Past research has found CLV helpful in the allocation of resources for customer acquisition, retention, and segmentation, and even in firm valuation. CLV, though, measures a customer’s profitability independent from other customers—a serious limitation in a networked society where consumer behavior is heavily influenced by the behavior of other consumers. Gupta will explore this limitation and remedies that might make CLV a more fine-tuned metric for our increasingly interconnected global marketplace.

3:00–3:15 p.m. Break

3:15–4:00 p.m. Linking Consumer Data to Business Metrics that Matter
David Krajicek, GfK Custom Research North America

Marketers are faced with myriad decisions and information sources as they navigate their brands to marketplace success. Krajicek’s presentation will review a data-driven process integrating varying information sources into a holistic market view, quantifying the impact of marketing activities on consumer perceptions and key business metrics (sales, customer churn, etc.), and discussing how GfK’s results have been used in marketing communication strategy development.

4:00–4:45 p.m. Metrics of Pricing: Insights from a 20 Year Research Journey
Mark E. Bergen, Carlson School of Management, University of Minnesota

At its roots, pricing is an organizational problem, yet we have few languages—and even fewer metrics—to help organizations manage their pricing processes. Bergen will share organizational frameworks and metrics on pricing developed by the Carlson School community, exploring the costs associated with pricing and their implications for prices, as well as ways in which firms measure, leverage, build, and invest in their pricing capabilities. Finally, he will discuss methodologies used to improve our understanding of the organizational dimensions of pricing, from econometric analyses of price data to ethnographic field studies and everything in between.

4:45–5:00 p.m. Session Summary

5:00–6:30 p.m. Reception, Carlson School Atrium
INDUSTRY SPEAKERS

**Cesar Brea**, Monitor Group

Cesar A. Brea, Global Practice Leader of Monitor’s Marketspace unit for new media and marketing strategy advising, has more than 15 years’ experience as a line executive, advisor, and entrepreneur in the high technology sector. His resume spans positions as a founder of ESM Partners, Vice President at Razorfish and ArsDigita, and with Bain & Co. and J.P. Morgan. Brea holds an MBA from the Tuck School at Dartmouth College, where he was an Edward Tuck Scholar, and an AB from Harvard College.

**Rob Britton**, American Airlines

Rob Britton, PhD, is the Adviser to the Chairman at American Airlines, principally offering advice on communications with employees, customers, and other American Airlines stakeholders. With nearly four decades in the travel and tourism industry, Britton retired from his role as Managing Director of Brand Development and Advertising at American in 2006. Britton earned his PhD in economic geography from the University of Minnesota and did his post-doctoral work at the Wharton School at the University of Pennsylvania.

**James S. Henney**, Wells Fargo

James S. Henney is the Senior Vice President of the Enterprise Customer Insights group at Wells Fargo. His group focuses on research and analysis of the company’s brand and advertising programs, ethnic marketing, customer experience and loyalty, integrated product offerings, and competitive intelligence. Henney holds an MBA from the University of Washington.

**Patricia D. Hughes**, GfK Custom Research North America

Patricia D. Hughes is Managing Director, Consumer Sector, GfK Custom Research North America and is responsible for sector strategy and the development of client partnerships and quality project service for GfK’s consumer packaged goods, retail, restaurant, and travel and leisure clients. Hughes is a University of Minnesota alumn.

**Jeff Hunter**, General Mills

Jeff Hunter serves as Consumer Insights Director, Innovation Toolkit and Cereal Partners Worldwide at General Mills, Inc., and is responsible for research process and method innovation and for the effectiveness of the new product research process. Hunter holds a BA in Asian languages and an MBA in marketing research and quantitative methods from the Carlson School of Management at the University of Minnesota.
David Krajicek, GfK Custom Research North America
David Krajicek, PhD, is Executive Vice President at GfK Custom Research North America. Krajicek has over 18 years of research and consulting experience with a focus on issues of branding and marketing communications. His areas of expertise include brand health measurement and management, positioning optimization, and marketing communications effectiveness. Krajicek earned his PhD from Claremont Graduate University in cognitive psychology and an undergraduate degree from the University of California, San Diego.

Lisa L. Love, 3M
Lisa L. Love, PhD, is New Business Development Manager in 3M’s Industrial & Transportation Business, and formerly Senior Customer Insight and Market Research Manager, where she led the Customer Insight Center of Excellence, a corporate group that delivers research direction and strategic intelligence to new product development teams across the company. In her current role, Love works with 3M businesses to identify and advance new growth initiatives. Love earned her PhD in communications research from the University of Illinois at Urbana-Champaign.

Bryan Maach, Cisco Systems
Bryan Maach is Cisco Systems’ Vice President of Market Intelligence and is responsible for developing a community of research professionals whose mission is to provide actionable information to Cisco’s senior leadership. Maach and his team are chartered to deliver systemic headlights on market dynamics, competitive threats, and emerging opportunities that ultimately enable effective investment decisions through fact-based market insight. Maach has an MA from Bowling Green State University’s Industrial/Organizational Psychology program and a BA in psychology from Iowa State University.

Gregory H. Michaels, Kraft Foods
Gregory H. Michaels, PhD, is the Director of Global Analytics in the Consumer Insights and Strategy division of Kraft Foods, Inc. Michaels has several focuses at Kraft, including marketing planning, pricing, marketing mix modeling, and new product development, as well as enterprise supply chain forecasting and corporate portfolio strategy. Michaels earned his PhD from the University of Minnesota in agricultural and applied economics and holds two undergraduate degrees from Georgetown University.

Adrian Sosa, CVS Caremark
Adrian Sosa is the Director of Marketing Intelligence, CVS Caremark, where he directs the ExtraCare loyalty program team, heading up customer marketing analytics and CRM program execution. ExtraCare is the largest retail loyalty card program in the United States and Sosa has an active hand in using information technology and market research to deepen relationships with their target segments and measure the value of CVS’s marketing efforts. Sosa earned his MBA from the Tuck School of Business at Dartmouth College and a BA in economics from the University of California, Riverside.

Thomas V. Sullivan, UnitedHealth Group
Thomas V. Sullivan is the General Manager of United Essentials, a division of UnitedHealthcare, which develops innovative health insurance products that are aligned with current and expected health care, employer, and public policy trends. Sullivan holds a BA in accounting from Minnesota State University, Mankato and an Executive MBA from the University of Minnesota’s Carlson School of Management.

Linda Vytacil, Carlson Marketing
Linda Vytacil, Vice President of Decision Sciences at Carlson Marketing, leads a team of decision sciences professionals for the company’s worldwide offerings. Her organization brings together the analytic functional areas across the company and throughout the world, developing and delivering quantitative strategies involving customer valuation, marketing research, segmentation, predictive modeling, econometric forecasting, and risk analysis and optimization with an emphasis on marketing accountability and ROI. Vytacil holds an MS from Marquette University and is a certified CRM professional.

Gordon Wyner, Millward Brown
Gordon Wyner, PhD, serves as Executive Vice President of Millward Brown, Inc. Wyner’s work in leading the Strategy and Marketing Science team focuses on understanding customer priorities and economic value as the basis for building effective marketing and brand strategies. He is responsible for developing Millward Brown’s strategic capabilities and for promoting key corporate initiatives with the service industries, media, and performance measurement. Wyner holds a PhD in sociology from the University of Pennsylvania and a bachelor’s degree from Northwestern University.
Mark E. Bergen, University of Minnesota
Mark E. Bergen, PhD, is the Carolyn I. Anderson Professor of Business Education Excellence and Chair of the Department of Marketing & Logistics Management at the Carlson School of Management. Bergen's research focuses on pricing and channels of distribution, where he has studied issues such as pricing as a strategic capability, price wars, branded variants, gray markets, co-op advertising, and quick response. Bergen holds a BS and a PhD in economics from the University of Wisconsin–Madison and the University of Minnesota respectively.

Rajesh K. Chandy, University of Minnesota
Rajesh K. Chandy, PhD, is the James D. Watkins Chair in Marketing and Co-Director of the Institute for Research in Marketing at the Carlson School of Management. An award-winning instructor in the MBA and executive programs at the Carlson School, he was named a 2003 Young Scholar by the Marketing Science Institute and serves as a member of U.S. Secretary of Commerce Carlos Gutierrez’s Advisory Committee on Measuring Innovation in the 21st Century Economy. Chandy received his PhD at the University of Southern California.

Jane E. J. Ebert, University of Minnesota
Jane E. J. Ebert, PhD, Assistant Professor of Marketing, focuses on understanding how marketers and policy-makers can increase the influence of consumers’ future goals (such as good health and a comfortable retirement) on their current decisions and behavior, and on understanding how consumers think about and make decisions whose consequences will occur in the future. Ebert earned her PhD in social psychology at Harvard University.

Sunil Gupta, Harvard Business School
Sunil Gupta, PhD, is the Edward W. Carter Professor of Business Administration at Harvard Business School, and he conducts research primarily in the areas of social networks, customer management, pricing, and return on marketing investment. The co-author of two award-winning books, Gupta holds a PhD from Columbia University and an MBA from the Indian Institute of Management. He has served as a faculty member or visiting scholar at UCLA, Harvard Business School, Duke University, and Columbia University.

Dominique Hanssens, UCLA
Dominique Hanssens, PhD, is the Bud Knapp Professor of Marketing at UCLA’s Anderson Graduate School of Management. From 2005 to 2007, he was also the Executive Director of the Marketing Science Institute. Hanssens’ research examines strategic marketing, particularly marketing productivity, and applies his expertise in data-analytic methods such as econometrics and time-series analysis. He holds a PhD and an MS from Purdue University’s Krannert Graduate School of Management. In 2007, Hanssens received the Churchill Lifetime Achievement Award from the American Marketing Association.

Deborah Roedder John, University of Minnesota
Deborah Roedder John, PhD, is the Curtis L. Carlson Chair and Professor of Marketing at the Carlson School of Management, University of Minnesota. She received her PhD in Marketing from Northwestern University and is an expert in consumer behavior, specializing in children’s consumer behavior and consumer brand management. Roedder John’s current research focuses on cross-cultural responses to brand extensions, sources of brand dilution, and brand equity measurement.

George John, University of Minnesota
George John, PhD, General Mills-Gerot Chair in Marketing at the Carlson School of Management, also serves as the academic director of the Carlson Brand Enterprise, a consultancy that partners top MBA students with insightful faculty on real-world brand projects. John’s work centers on the governance of inter-firm links. He is one of the nation’s leading experts in marketing channels, industrial marketing, and high-technology, and his current research includes work on component branding and consumer guarantees.

Prasad Naik, University of California–Davis
Prasad Naik, PhD, Professor of Management and Chancellor’s Fellow at the University of California, Davis Graduate School of Management offers an expert perspective on systematic approaches for the design and marketing of new products, budgeting for marketing activities, media selection, the development of creative strategies, and the design and evaluation of advertising campaigns. Naik holds a PhD in marketing from the University of Florida and was named one of the Top 20 Young Scholars in Marketing by the Marketing Science Institute in 2003.
ACADEMIC SPEAKERS

Om Narasimhan, University of Minnesota
Om Narasimhan, PhD, is an Associate Professor at the Carlson School of Management and focuses his research on modeling both competitive advantage and brand choice. A two-time winner of both the McKnight Award and the 3M Non-Tenured Faculty Award, Narasimhan earned his PhD in marketing at the University of Southern California and joined the faculty of the Carlson School in 2001.