

Marketing Matters

A Newsletter of the Institute for Research in Marketing

Fall 2006

CARLSON
SCHOOL OF MANAGEMENT
UNIVERSITY OF MINNESOTA

Letter from the Director

Welcome to the inaugural issue of the newsletter from the Institute for Research in Marketing at the Carlson School of Management. This publication will serve to keep you informed of the activities of the institute, the accomplishments of the faculty who form the backbone of the institute, and our plans for public events.

The Institute for Research in Marketing

The Institute for Research in Marketing at the Carlson School of Management leverages the expertise of the Carlson School's world-class marketing faculty and an advisory board of practitioners from leading corporations to foster rigorous and relevant research that improves the science and practice of marketing. Through outreach initiatives that include regular conferences and a web portal, the institute provides a forum

for dialogue among marketing scholars, industry practitioners, policymakers, and students.

Our faculty are among the most accomplished academics in the world. A quick scan of papers published in the most prestigious journals in the field puts us in the august company of the Fuqua School of Business at Duke University, Harvard Business School, the Kellogg School of Management at Northwestern University, the Sloan School of Management at the Massachusetts Institute of Technology, and the Stern School of

Business at New York University. The institute will be the principal vehicle to introduce the faculty's innovative research to a variety of constituencies including practitioners, corporate recruiters, public policy makers, the media, and think tanks.

Our advisory board members support this endeavor by contributing financially and intellectually to a series of initiatives. The board members play many roles, including that of ambassadors of the Carlson School's marketing expertise.

Through exposure to original research and classroom interaction with corporate partners, our students have already begun to benefit. Answering essential questions on topics such as the intersection of technology and globalization and the development of new perspectives on

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Mark your calendar

Marketing Science Institute conference

The Institute for Research in Marketing, in collaboration with the Marketing Science Institute, will host a conference on current research and challenges in branding, June 6-8, 2007 in Minneapolis. The conference format will include presentations and panel discussions that will feature leading academics and practitioners discussing cutting-edge research on branding and how it is being applied in industry. Visit carlsonschool.umn.edu/marketinginstitute for more information.

For more information on the Institute for Research in Marketing, call Rebecca Monro at 612-626-7940 or email marketinginstitute@csom.umn.edu.

Speakers series

On September 27, the Institute for Research in Marketing will host Fred Senn, founding partner at Fallon Worldwide. Senn will speak about his new book, *Juicing the Orange: How to Turn Creativity into a Powerful Business Advantage* (Harvard Business School Press), co-authored by agency founder Pat Fallon. Senn and Fallon coined the term "creative leverage" to describe the methods by which business managers can successfully harness the creative abilities of their teams and apply them to each step of the business process. Reservation information and other details can be found at carlsonschool.umn.edu/marketinginstitute.

“The institute will be the principal vehicle to introduce the faculty’s innovative research to a variety of constituencies including practitioners, corporate recruiters, public policy makers, the media, and think tanks.”

consumer behavior in an increasingly interconnected world is just one element of the institute’s mission.

What we have accomplished

As the director of the institute, my first task was to identify corporate partners who saw value in connecting with the academic community. Fortunately, I had a very easy product to sell. Our academic standing, the quality of our students, and the goodwill the school has generated allowed for the assembly of a singularly accomplished advisory board. These individuals serve as our emissaries, as intellectual sounding boards, and as a repository of wisdom that is truly unparalleled in my experience.

My marketing department colleague Professor Robert Ruekert is the academic representative to the board, and we are ably assisted by Rebecca Monro, associate director, and Letta Wren Christianson, executive assistant.

With the assistance of the board, we hosted our first signature event, “Carlson on Branding,” in May 2006. And in its first year, the institute funded seven research projects across a broad spectrum of topics.

Our plans

As the new academic year dawns, we have begun to plan for another national conference to be held June 6-8, 2007. The conference will be

co-hosted with the Marketing Science Institute. Please mark your calendars for what promises to be a highly engaging and interactive conference that will feature distinguished academics from the Carlson School and other business schools, as well as representatives from local and national firms.

Additionally, we expect to expand our advisory board and launch a working-paper series that will report on recent research by faculty associated with the institute. Please visit our website, carlsonschool.umn.edu/marketinginstitute, as we develop enhanced functionality to link to current research conducted by our faculty as well by others in the discipline.

Best wishes,

Akshay R. Rao
Director, Institute for Research in Marketing
General Mills Professor of Marketing

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Will Setliff
Vice President, Innovation and Interactive Marketing
Target

Academic representative to the Advisory Board:

Robert Ruekert
Professor, Department of Marketing and Logistics Management; Associate Dean, Undergraduate Programs
Carlson School of Management

“Involvement with the institute provides Cargill with networking opportunities for business leaders, faculty, and students that are a necessity in maintaining a competitive advantage in today’s marketplace. Access to graduates for positions within our company and identifying topics for further study and research are just a start.”

—Jim Hield, Vice President of Marketing Services, Cargill

Carlson on Branding—Conference recap

Practitioners and academics shared insights into aspects of branding at the Institute for Research in Marketing's inaugural conference, "Carlson on Branding."

"Carlson School faculty have pioneered research on key topics featured prominently at the conference, such as brand dilution, brand equity measurement, and cross-cultural branding, and it is therefore fitting that our inaugural conference focused on branding," said Bob Ruekert, professor, Department of Marketing and Logistics Management, and academic representative to the advisory board.

The two-day, 14-session conference featured presentations by experts from leading business schools including the Carlson School of Management at the University of Minnesota, the Marshall School of Business at the University of Southern California, and

the Tuck School of Business at Dartmouth College. Industry experts from 3M, Cargill, Kraft Foods, and General Mills also gave presentations.

"Carlson on Branding' brought together leading academics and practitioners in the branding field," said Rohini Ahluwalia, Carlson School Professor of Marketing and conference chair. "The cutting-edge research presented here reflects the interest and expertise of Carlson School faculty on a topic of increasing importance."

"I'm delighted that the Carlson School has taken the lead position on the topic of branding," said Jim Schroer, president and CEO of Carlson Marketing and a member of the institute's advisory board. Advisory board members played a key role in practice moments at "Carlson on Branding."

Brand building

Professor Kevin Lane Keller (Tuck) spoke on key aspects of brand building. Keller's presentation blended art and science to impart a research-based model for developing and

implementing brand plans. Keller, a world-renowned expert in branding, emphasized the impact of marketing decisions on branding. He presented three models to guide managerial efforts: brand positioning, brand resonance, and brand value chain.

Re-branding the Guthrie

In July, the Guthrie Theater, a repertory theater in Minneapolis, moved to a new physical space. With the move, Minneapolis design firm Yamamoto Moss was charged with the task of developing the theater's new brand identity.

At the conference, Nathalie Wilson, vice president of account strategy at Yamamoto Moss, said that the master brand architecture should consistently communicate the core and personality of the Guthrie brand and signal the changes at work in the organization. This approach capitalized on the Guthrie's brand equity and quality reputation. The master brand architecture gives the theater and outreach programs a halo effect which transcends the Guthrie's existing public image as a regional theater that performs classics. Now, the Guthrie is attracting attention to the bold look of its new building and refreshed public face.

Brand equity and new product launches at General Mills

Should a new product use the brand equity of an established brand? Jeff Hunter and Barbara Wilson of General Mills argued that such an approach does not guarantee success. They recommend asking important branding questions early in the development process. Will an established

Sharon Shavitt, University of Illinois, and Susan Flach, Kraft Foods, take part in a panel on global branding.



Akshay Rao, Carlson School, engages the audience in a discussion on branding across cultures.



Kathleen Vohs, Carlson School of Management, and doctoral students.



"Carlson on Branding" attendees.

brand increase the strength of a new product? Will the new product help or hinder the existing brand? How can one maximize the fit of the new product with the established brand?

General Mills uses Concept Creator, a monadic concept test format, to assess whether a new product ought to employ an existing brand name. Shoppers briefly view a concept and are then asked to rate it on a broad variety of diagnostic rating scales. Their reactions to the concept are compared to a database of reactions to existing products and points of difference for offspring and parent are assessed. The procedure has been successfully employed in several new product launches, including the extension of Pillsbury Freezer to Oven Dinner Rolls.

Brand equity

Professor C. W. Park (Marshall) challenged current thinking on the conceptual definition of brand equity, its measurement, and brand strategy. Park offered his perspective on how the conceptualization and measurement of brand equity may be refined and improved in the future.

Park argued in favor of the need to comprehensively measure behavioral variables, such as the consumer's intention to stay in a relationship with a brand, the consumer's active participation in brand promotion, and the consumer's willingness to sacrifice resources to purchase their preferred brand.

Industrial brand panel

As margins for retailers decrease on brand name labels, business-to-business marketers look at new ways to face the rising challenges of branding in industrial markets. Carlson School Professor George John, Pillsbury-Gerot chair in marketing, and Paul Hillen, vice president of food ingredients and systems at Cargill, combined their separate experiences to discuss two popular industrial branding strategies: ingredient branding and the establishment of private labels.

In the case of ingredient branding, in which the brand is owned by an upstream supplier, John and Hillen identified experience, reputation, and cost as the key points in the decision to bring a new ingredient brand to market. Such a decision will often be pursued as a marketing strategy if the branded ingredient will bring a strong reputation to a new product, will add value to the product in the eyes of the consumer, and will not add significantly to the cost of production.

In contrast to branded ingredients, private labels are owned by retailers, such as the Roundy's Own Brand, sold at Roundy's-owned grocery store chains including Rainbow Foods. Despite being seen as the poor relation of national brands, a private label can be an effective tool for the marketing manager. The downside:

retailers must be prepared to allocate significant resources and have an already established reputation in the marketplace before attempting to establish a private label.



(from top) Conference attendee and Nathalie Wilson, Yamamoto Moss, and Jan Elsesser, GfK Custom Research; Dean Adams, 3M, and Mark Bergen, Carlson School; Jan Elsesser, GfK Custom Research, with Carlson School doctoral candidates.



"Carlson on Branding" speakers (left to right) Mike Gannon, 3M; Barbara Wilson, General Mills; Kent Seltman, Mayo Clinic; and C. W. Park, University of Southern California.

Marketing advice for Italian business owners

Akshay Rao, director of the Institute for Research in Marketing, visited Italy to speak at a business conference sponsored by Osservatorio Asia, an Italian think tank that promotes economic relations between Italy and Asia. Rao's interview with leading Italian newspaper *Economia e Finanza* is available at carlsonschool.umn.edu/marketinginstitute.



Rao, pictured with Romano Prodi, the current Prime Minister of Italy.

Rethinking innovation

Rajesh Chandy, Carlson School Professor of Marketing, presented his research at the June 2006 National Science Foundation conference, "Advancing Measures of Innovation: Knowledge Flows, Business Metrics, and Measurement Strategies." The conference addressed the current inability to fully measure and comprehend the innovation taking place in the U.S. economy. The conference brought together leading innovation researchers in economics, measurement, and science and technology policy.

Chandy's presentation emphasized that innovation should be measured by examining products and processes, not merely patents, and that firms vary in their ability to convert



Rajesh Chandy

research and development expenditures into innovations. Marketing expertise, market power and technological resources are crucial in the conversion of research and development expenditures into innovations.

Research projects funded

In June, the Institute for Research in Marketing funded seven marketing-focused research projects in response to its first-ever call for proposals. Recipients included Carlson School Professors Rajesh Chandy, Tony Cui, Barbara Loken, and Kathleen Vohs in the Department of Marketing and Logistics Management and Professors Gediminas Adomavicius, Shawn Curley, and Alok Gupta in the Department of Information and Decision Sciences. The institute encourages research in marketing from a variety of perspectives and disciplines.

What is your brand worth?

Thanks to a new technique for analyzing what customers think about a brand, marketers will find it easier to track—and ultimately influence—brand associations in the marketplace. Brand concept maps, developed by Carlson School Professors Deborah Roedder John and Barbara Loken,



Deborah Roedder John



Barbara Loken

capture and analyze complex networks of strong, favorable, and unique brand associations in consumer memory.

"The brand concept map is a reliable and valid way to identify important brand associations, how these associations are connected to the brand and to each other, and how the connections can be leveraged in the marketplace," says John, the Curtis L. Carlson chair in marketing.

Brand concept maps are created by developing brand association networks (maps) for individual consumers, then aggregating the individual maps into a consensus map of the brand. The resulting brand concept maps include core brand associations that define the brand's image. The maps show the brand associations linked directly and indirectly to the brand, as well as the way brand associations are grouped together. They can also reveal which brand associations are more, or less, important.

More information on this research can be found in a forthcoming issue of the *Journal of Marketing Research* and at carlsonschool.umn.edu/marketinginstitute/carlsononbranding. Loken and John presented this research at "Carlson on Branding."

Recent publications

From January 2005 to July 2006, the faculty of the Department of Marketing and Logistics Management at the Carlson School of Management had 27 papers accepted by the leading journals in the field: *Journal of Consumer Research* (8); *Journal of Marketing* (3); *Journal of Marketing Research* (9); *Management Science* (1); *Marketing Science* (4); *Organizational Behavior and Human Decision Processes* (1); and *Strategic Management Journal* (1).

For more information, please visit carlsonschool.umn.edu/marketinginstitute.

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Inside this issue:

Find upcoming events,
new research, and
conference highlights.

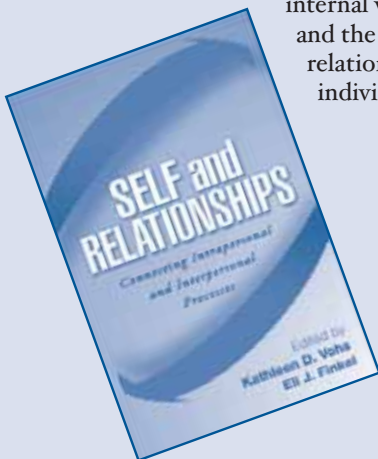
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Reading list

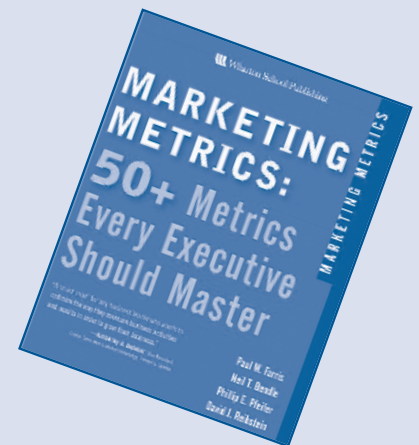
SELF AND RELATIONSHIPS: CONNECTING
INTRAPERSONAL AND INTERPERSONAL
PROCESSES (Guilford Press, 2006),
edited by Kathleen Vohs, assistant
professor in the Carlson School of
Management Department of Marketing
and Logistics Management, and Eli
Finkel (Northwestern University).

Self and Relationships is composed of
papers that integrate research on the
internal worlds
and the close
relationships of
individuals.



The papers examine internal psycholog-
ical processes, such as self-esteem and
self-regulation, and external processes,
such as the dynamics between partners
in a relationship, as well as the
methodologies of such research and
the implications of the findings for
a broader knowledge of individual
psychological well-being. For managers,
this book illustrates the complexity
of interpersonal relations and raises
important questions about how
consumption behavior may be influ-
enced by seemingly unrelated factors.

MARKETING METRICS: 50+ METRICS
EVERY EXECUTIVE SHOULD MASTER
(Wharton University Publishing, 2006),
by Neil Bendle, a doctoral student
in the Carlson School's Department of
Marketing and Logistics Management,
David Reibstein (Wharton), Paul Farris
(Darden), and Phillip Pfeifer (Darden).



Marketing Metrics shows
marketing managers how to use a
selection of key metrics to maximize
ROI and seek out opportunities for new
areas of profit. Using a “dashboard” of
metrics, marketers can hone their skills
in examining marketing dynamics,
increase accuracy of measurement, and
seek out the best solutions to marketing
questions, resulting in a measurement
fluency in a variety of marketing areas.