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HANDBOOK of MARKETING

Edited by BARTON WEITZ and ROBIN WENSLEY



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The Editors

Barton Weitz is the J.C. Penney Eminent Scholar Chair and Executive Director of the Miller Center for Retailing Education and Research in the Warrington College of Business Administration at the University of Florida. He earned a B.S.E.E. at MIT and an M.B.A. and Ph.D. at Stanford. In 1998, he was honored as Educator of the Year by the American Marketing Association for his contributions to the marketing discipline.

Professor Weitz's current research interests focus on electronic retailing and the development of long-term relationships between firms in a channel of distribution (retailers and vendors), firms and their employees, and salespeople and their customers. He has co-authored three textbooks – *Retailing Management; Selling: Building Partnerships*; and *Strategic Marketing: Making and Implementing Decisions*. He was editor of the *Journal of Marketing Research* and is presently the co-editor of *Marketing Letters* and editor of *Marketing Management Abstract* journal, part of the Social Science Research Network.

Robin Wensley is Deputy Dean and Professor of Strategic Management and Marketing at the Warwick Business School and was Chair of the School from 1989 to 1994, and Chair of the Faculty of Social Studies from 1997 to 1999. His research and consultancy interests include marketing strategy and evolutionary processes in competitive markets, investment decision making and the assessment of competitive advantage. He has published a number of articles in the Harvard Business Review, the Journal of Marketing, and the Strategic Management Journal and has twice won the annual Alpha Kappa Psi Award for the most influential article in the US Journal of Marketing as well as the Millennium Prize for the best article in the UK Journal of Marketing Management. His books include (with B.A. Weitz) Strategic Marketing: Planning, Implementation and Control, Boston, MA: Kent Publishing, 1983; (with G.S. Day and B.A. Weitz), Interface of Marketing and Strategy, Hartford, CN: JAI Press, 1990; and (with D. Brownlie, M. Saren, and R. Whittington), Rethinking Marketing: Towards Critical Marketing Accountings, Sage: London, 1999. He is co-editor of the Journal of Management Studies.

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The Contributors

Sönke Albers has been Professor of Innovation, New Media and Marketing at the Christian-Albrechts University at Kiel (Germany) since 1990. Prior to Kiel, he served on the faculties of WHU-Koblenz and the University of Lüneburg. He also was a visiting professor at Stanford University, INSEAD (Fontainebleau) and the Australian Graduate School of Management (Sydney).

He has published and edited 12 books and over 150 articles that appeared in international journals such as *Marketing Science, Journal of Marketing Research, International Journal of Research in Marketing, European Journal of Operational Research*, and the leading German journals. His research areas are marketing-planning and controlling, sales force management, innovation research, and electronic commerce. He is co-editor of the 'Zeitschrift fuer betriebswirtschaftliche Forschung/Schmalenbach Business Research'. He is also consulting editor of the *International Journal of Research in Marketing*. He was a dean in Koblenz and the president of the German Association of Marketing Professors. Currently, he serves as an associate dean of the faculty in Kiel where he was recently appointed as the chairman of a research unit on electronic business, with 13 doctoral students, funded by the German National Research Foundation.

Erin Anderson is the John H. Loudon Professor of International Management and Professor of Marketing at INSEAD, holding her Ph.D. in Management from the University of California, Los Angeles. She specializes in the management, organization, and performance of sales forces and distribution channels. Among other topics, she also studies vertical integration (make-or-buy decisions), managing independent agents, and designing effective commissioned sales forces. She approaches these topics through the viewpoint of New Institutional Economics.

The author of numerous articles on sales force management and distribution channels, Erin Anderson is co-author (with Anne T. Coughlan, Louis W. Stern, and Adel I. El Ansary) of *Marketing Channels*, currently in its 6th edition with Prentice Hall. She serves on the editorial boards of the *Journal of Marketing*, *Journal of Marketing Research*, and *International Journal of Research in Marketing*, and she has received several awards for her contributions to the fields of marketing and international management.

Patrick Barwise is Professor of Management and Marketing and Chairman of the Future Media Research Programme at London Business School. His publications include the books *Television and its Audience* (with Andrew Ehrenberg), *Accounting for Brands* (with Chris Higson, Andrew Likierman and Paul Marsh), *Strategic Decisions* (with Vassilis Papadakis), *Predictions: Media* (with Kathy Hammond),

and *Advertising in a Recession*). Most of his current research is about consumer response to digital technology and the implications for consumer marketing.

Kurt A. Carlson is Assistant Professor of Marketing at the Fuqua School of Business, Duke University. His Ph.D. in management, with specializations in marketing and decision making, was awarded by Cornell University in 2001. He also holds an M.S. (1990) and B.S. (1993) in Agricultural and Applied Economics from the University of Wisconsin.

His research centers on consumer decision making, with emphasis on the role of goals. Recently, he has developed a method for recovering the activation of multiple goals at different times over the course of the consumer choice process. He also studies how beliefs about the consideration set influence both the choice process and the alternatives that consumers choose.

Anne T. Coughlan is on the Marketing Faculty at the Kellogg School of Management at Northwestern University. Her research interests lie in the areas of distribution channel management and design, pricing, competitive strategy, and the international applications of these areas. She is the lead author of *Marketing Channels* (6th edition), and has also published scholarly research articles in journals such as *Marketing Science, Management Science, International Journal of Research in Marketing, Journal of Business*, and *Journal of Marketing*.

She is currently an associate editor at the *Journal of Economics and Management Strategy* and serves on the editorial boards of *Marketing Science*, *Journal of Retailing*, and *Journal of Marketing*. She is a co-editor of the Quantitative Marketing Network of the Social Sciences Research Network. Professor Coughlan was elected Secretary-Treasurer (1988–89) and President (1992–93) of the College on Marketing of the Institute for Management Sciences.

Ely Dahan is Assistant Professor of Marketing at the Anderson School of Business at UCLA. He previously taught at MIT Sloan, and was a principal investigator on the 'Virtual Customer' project. Dr Dahan holds a Ph.D. from Stanford Business School's Operations, Information and Technology program. He was a Fellow of the Department of Energy and the American Association of Collegiate Schools of Business (AACSB), and won a Jaedicke Fellowship from Stanford. His research focuses on internet-based market research methods, securities trading of concepts, mass customization, models of new product prototyping, and the economics of cost reduction. Dr Dahan received a Bachelor's degree in Civil Engineering from MIT and an M.B.A. from the Harvard Business School. He then worked as national product manager for W.R. Grace and NEC until 1984, when he founded a computer networking company in Maryland, serving as CEO until the firm was acquired in 1993.

George S. Day is the Geoffrey T. Boisi Professor, Professor of Marketing, co-Director of the Mack Center for Technological Innovation at the Wharton School of the University of Pennsylvania and Visiting Professor at the London Business School. He previously taught at Stanford University, IMD

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(International Management Development Institute) in Lausanne, Switzerland, and the University of Toronto, and has held visiting appointments at MIT and the Harvard Business School. Prior to joining the Wharton School, he was Executive Director of the Marketing Science Institute, an industry-supported research consortium.

He is a member of the Board of Directors and Chairman of the Audit Committee of Footstar Corporation and a Fellow of Diamond Cluster International. His primary areas of activity are marketing, the management of new product development, strategic planning, organizational change and competitive strategies in global markets.

Dr Day obtained his doctorate from Columbia University in 1968. He presently serves on five editorial boards and has authored 14 books in the areas of marketing and strategic management. His most recent books are *Wharton on Dynamic Competitive Strategy* (with David Reibstein), published in 1997, *Wharton on Managing Emerging Technologies* (with Paul Schoemaker), published in 2000, and *The Market Driven Organization*, published in 1999. He is the co-editor (with David Montgomery) of the 1999 special issue of the *Journal of Marketing, Harvard Business Review, California Management Review, Strategic Management Journal, Planning Review, Journal of Marketing Research*, and *Sloan Management Review.*

Dr Day has received various awards, including two Alpha Kappa Psi Foundation Awards and two Harold H. Maynard Awards for the best articles published in the *Journal of Marketing*. In 1994, he received the Charles Coolidge Parlin Award, which each year honors an outstanding leader in the field of marketing, and in 1996 he received the Paul D. Converse Award for outstanding contributions to the development of the science of marketing. He was selected as the outstanding marketing educator for 1999 by the Academy of Marketing Science, and in 2001 he received the Mahajan Award from the American Marketing Association for career contributions to marketing strategy.

Eric M. Eisenstein is an Assistant Professor of Business at the S.C. Johnson School of Management at Cornell University. His areas of research include managerial decision-making, the psychology of expertise, and intuitive statistics. Dr Eisenstein earned his Ph.D. in Managerial Science and Applied Economics and an M.A. in Statistics at the Wharton School, University of Pennsylvania.

Prior to entering the Ph.D. program at Wharton, Dr Eisenstein worked for four years at Mercer Management Consulting, where he primarily focused on management of technology and consumer research in the financial services and telecommunications industries. Dr Eisenstein has maintained his relationship with the business community through participation in executive education and consulting.

Dr Eisenstein graduated from the Management and Technology Dual Degree program at the University of Pennsylvania, where he earned a B.S. in Economics from the Wharton School and a B.S. in Computer-Systems Engineering from the School of Engineering and Applied Science.

Anita Elberse is currently a Visiting Doctoral Fellow at the Wharton School, University of Pennsylvania, as well as a Ph.D. candidate at London Business School. She holds an M.A. in Communication Science from the University of Amsterdam ('cum laude'), an M.A. in Communication from the Annenberg School for Communication, University of Southern California, and an M.Phil. degree from London Business School. She has published in a variety of journals, including the *Harvard International Journal of Press/Politics* and *Communications of the ACM*. Her Ph.D. thesis investigates the interplay of demand and supply for new products that are introduced sequentially in international markets. Her research interests include marketing and strategic issues related to media and entertainment industries, the impact of digital technologies on marketing, diffusion of innovations, marketing models, and econometric modeling techniques.

Hubert Gatignon is the Claude Janssen Chaired Professor of Business Administration and Dean of the Ph.D. Program at INSEAD. He is also the Research Director of the INSEAD-Wharton Alliance, and the Director of the INSEAD-Wharton Alliance Center for Global R&D. He joined INSEAD in 1994 from the Wharton School of the University of Pennsylvania, where he was Professor of Marketing. He holds a Ph.D. in Marketing from the University of California, Los Angeles. His research interests involve modeling the factors influencing the adoption and diffusion of innovations, and explaining and econometrically measuring how the effects of marketing mix variables change over conditions and over time. His most recent research concerns strategies for entering a market and for defending a brand's position, as well as international marketing strategy.

Håkan Håkansson is Professor in International Management at the Norwegian School of Management, BI in Oslo. Earlier, he was at the University of Uppsala. He is one of the founding members of the IMP-Group and has published articles and books regarding purchasing, industrial marketing, and technological development, especially in an international context. His latest book is *Managing Technological Development. IKEA, the Environment and Technology*, published 2002 by Routledge (co-authored with Alexandra Waluszewski, University of Uppsala).

Kathy Hammond is an Assistant Professor of Marketing at London Business School and Director of LBS's Future Media Research Programme. This programme, set up in 1996, provides a focus for research on new media products, trends, and consumer behaviour. The emphasis of the programme on the consumer provides a unique focus for research into the future of interactive digital media in the home.

Kathy Hammond's research covers a wide range of consumer buying studies, focusing particularly on brand loyalty and customer relationship management. She is a frequent speaker and writer on 'new media' issues, has published in a number of marketing journals including *Marketing Science*, *Journal of Advertising Research*, *Marketing Letters*, and *Journal of Interactive Marketing*, and with Patrick Barwise is co-author of a short book, *Predictions: Media*.

John R. Hauser is the Kirin Professor of Marketing and Head of the Marketing Group at MIT's Sloan School of Management, where he teaches new product development, marketing management, competitive marketing strategy, and

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research methodology. He is the co-author of two textbooks, *Design and Marketing of New Products* and *Essentials of New Product Management*, and a former editor of *Marketing Science*. He has published over 50 scientific papers. His awards include the Converse Award for contributions to the science of marketing, the Parlin Award for contributions to marketing research, the MSI award for the most significant contribution to practice, three awards for the best paper of the year in the marketing sciences, and four additional awards as finalist. He has won an award from the Sloan School for outstanding teaching in the Master's program. His students have won major thesis awards including the Brooke's Prize, the Zennetos' Prize, the American Marketing Association Dissertation Award, and the INFORMS Bass Award. He has consulted for a variety of corporations on product development, sales forecasting, marketing research, voice of the customer, defensive strategy, and R&D management.

Johny Kjell Johansson was named the McCrane/Shaker Professor in International Business and Marketing at the Georgetown University in 1989. An expert in the areas of international marketing strategy and consumer decision making, especially as applied to Japanese and European companies and markets, Johansson has published over 70 academic articles and chapters in books. He is the author of *Global Marketing* (McGraw-Hill/Irwin, 3rd ed., 2003) and (with Ikujiro Nonaka) *Relentless: The Japanese Way of Marketing* (HarperBusiness, 1996). He has given speeches at numerous international conferences, and seminars to academic institutions in many countries, including Stanford, MIT, and Columbia in the United States, INSEAD in France, Vienna's Neue Wirtschaftsuniversitat in Austria, and Hitotsubashi, Kobe and Nagoya Universities in Japan.

Before joining Georgetown's faculty, Johansson held faculty positions at the University of Washington and the University of Illinois. He has held many visiting appointments in several countries. He was the first Isetan Distinguished Visiting Professor at Keio Business School in Japan and the first Ford Distinguished Visiting Professor at University of Cologne in West Germany. He has also been a visiting professor at New York University, Dalhousie University (Canada), Stockholm School of Economics, the Catholic University of Leuven (Belgium), the National Defense Academy (Japan), and the International University of Japan. In 1988 he was a Phelps scholar at the University of California, Berkeley, and his undergraduate degree (Civilkonom) at the Stockholm School of Economics.

D.G. Brian Jones is Professor of Marketing at the University of Prince Edward Island, Canada. He received his bachelor's degree from the University of Manitoba and earned his Ph.D. at Queen's University, where his dissertation dealt with the history of marketing thought – a subject that continues to hold his fascination. He currently serves as President of the Association for Historical Research in Marketing, the organizing body for the Conference on Historical Analysis & Research in Marketing (CHARM). His research has been published in the *Journal of Marketing, Journal of the Academy of Marketing Science, Journal of*

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Macromarketing, *Psychology & Marketing*, *Canadian Journal of Administrative Science*, and other refereed publications.

Michael A. Kamins is Associate Professor of Marketing at the Marshall School of Business, Department of Marketing, University of Southern California. Dr Kamins has published in many areas of communication, including rumor, celebrity advertising, puffery in advertising, and the use of the term 'kosher' as a third-party source of credibility. Currently, Dr Kamins' interests lie in the area of pioneer brands, the use of color in advertising and the effect of company identification on brand evaluation. Dr Kamins has published in the *Journal of Marketing Research, Journal of Marketing, Journal of Consumer Psychology, Journal of Advertising*, and the *Journal of Advertising Research*, among many others. He is currently on the review board of the *Journal of Advertising* and the *Journal of Business Research*.

Kevin Lane Keller is the E.B. Osborn Professor of Marketing at the Amos Tuck School of Business at Dartmouth College. An academic pioneer in the study of integrated marketing communications and brand equity, Keller has served as brand confidant to marketers for some of the world's most successful brands, including Disney, Ford, Intel, Levi Strauss, Nike, Procter & Gamble, and Starbucks. Keller's academic résumé includes degrees from Cornell, Duke, and Carnegie-Mellon universities, award-winning research, and faculty positions at Berkeley, Stanford, and UNC. His textbook, *Strategic Brand Management*, has been adopted at business schools around the world. The second edition will be published in August 2002.

Leonard M. Lodish is the Samuel R. Harrell Professor in the Marketing Department of the Wharton School, University of Pennsylvania, where he has been since 1968; he is also Vice Dean for Wharton West, Wharton's San Francisco campus as of July 2001.

At Wharton, Professor Lodish co-founded (in 1979) and is Leader of the Wharton Global Consulting Practicum. In 1995, he initiated, developed, and currently teaches Wharton's Entrepreneurial Marketing M.B.A. course and wrote *Entrepreneurial Marketing: Lessons from Wharton's Pioneering M.B.A. Course* (John Wiley, 2001) with Howard L. Morgan and Amy Kallianpur.

Professor Lodish's primary research and consulting areas are entrepreneurial marketing, strategic and tactical marketing resource planning, marketing decision support systems, and applications in firm/marketing strategy, sales force, advertising, and promotion planning.

In 1996 Len and his wife Susan pedalled their tandem bicycle across the US, and since then have completed long-distance bicycle rides each year that have raised over \$200,000 for the ALS (Lou Gehrig's Disease) Association. Professor Lodish is a licensed sailplane pilot and ardent bicycle commuter.

Murali K. Mantrala is a Manager at ZS Associates, a sales and marketing consulting firm in Evanston, Illinois. Earlier, he was the J.C. Penney Associate

Professor of Marketing at the University of Florida, Gainesville. He holds a Ph.D. in Marketing from Northwestern University, M.B.A.s from the Indian Institute of Management, Calcutta and the University of Minnesota, and a B.S. in Physics from the University of Delhi. His research activities fall in the areas of marketing resource allocation decisions, sales force incentives design, and competitive retail pricing strategies. He is a member of the Editorial Board of *Marketing Science* and has published articles in *Journal of Marketing Research, Marketing Science, Journal of Marketing, International Journal of Research in Marketing, Interfaces, Managerial and Decision Economics*, and European Journal of Operations Research. Murali Mantrala was formerly a sales executive at Sandoz Pharmaceuticals (India) and his recent clients include firms in the pharmaceuticals, insurance, retailing and multimedia broadcasting industries.

Elizabeth S. Moore is Assistant Professor of Marketing at the University of Notre Dame. Her research interests are in marketing and society, consumer behavior of households, and marketing to children. She has published in the *Journal of Marketing Journal of Consumer Research, Journal of the Academy of Marketing Science*, and *Journal of Macromarketing*. Professor Moore has received awards for her research, including the Robert Ferber Award from the *Journal of Consumer Research* (Honorable Mention) and the 'Outstanding Paper in Conference' Award from the American Marketing Association. She received her B.A. (Psychology) from Mount Holyoke College and her Ph.D. (Marketing) from the University of Florida. Professor Moore is a member of Phi Beta Kappa and Sigma Xi Scientific Research Society. Prior to joining Notre Dame, she served on the faculties at Boston College and Illinois, and as Director of Sales Planning and Forecasting for Carroll Reed Ski Shops, Inc.

Scott A. Neslin is the Albert Wesley Fry Professor of Marketing at the Amos Tuck School of Business Administration, Dartmouth College. Professor Neslin's interests include sales promotion, market response models, and database marketing. Much of his research has focused on analyzing the effectiveness of sales promotion and advertising. He has investigated issues such as the effect of promotion on consumer stockpiling, brand loyalty, and consumption, as well as the role of advertising in reinforcing loyalty. He has published articles on these and other topics in journals such as *Marketing Science, Journal of Marketing Research, Management Science*, and *Journal of Marketing*. He is co-author with Professor Robert C. Blattberg of the book *Sales Promotion: Concepts, Methods, and Strategies*, published by Prentice-Hall. He is an Area Editor for *Marketing Science*, and on the editorial boards of the *Journal of Marketing Research, Journal of Market*

Chezy Ofir is the head of the marketing group at the School of Business Administration, Hebrew University. Professor Ofir has a Masters and a Ph.D. in Business Administration from Colombia University. Professor Ofir's research focuses on consumer behavior and behavioral decision making. His research appears in journals such as *Journal of Marketing Research, Journal of Consumer*

Research, Management Science, Journal of Personality and Social Psychology, Psychometrika, Organizational Behavior and Human Decision Processes, British Journal of Mathematical and Statistical Psychology, Journal of Forecasting, Multivariate Behavior Research, among others. A recent research project entitled 'In Search of Negative Customer Feedback: The Effect of Expecting to Evaluate on Satisfaction Evaluations', conducted jointly with Professor Itamar Simonson and funded by the National Science Foundation (NSF), appeared in the Journal of Marketing Research. The paper was selected by a special AMA interest group as deemed to have made the greatest contribution to the services literature in a single year.

A. Parasuraman (DBA, Indiana University) is Professor and holder of the James W. McLamore Chair in Marketing at the University of Miami. He has received many distinguished teaching and research awards. In 1988, Dr. Parasuraman was selected as one of the 'Ten Most Influential Figures in Quality' by the editorial board of *The Quality Review*. In 1998, he received the American Marketing Association's 'Career Contributions to the Services Discipline Award.' In 2001, he received the Academy of Marketing Science's 'Outstanding Marketing Educator Award.' Dr Parasuraman has published numerous articles in leading scholarly and managerial journals. He has served as editor of the *Journal of the Academy of Marketing Science* for a three-year term (1997–2000). He has authored or co-authored several books, the most recent of which is *Techno-Ready Marketing: How and Why Your Customers Adopt Technology*.

J. Edward Russo is Professor of Marketing and of Management and Organizations at the Johnson Graduate School of Management, Cornell University. His Ph.D. in mathematical psychology, with a specialization in decision making, was awarded by the University of Michigan (1971). He also holds an M.S. degree in probability and statistics from the University of Michigan (1966) and a B.S. in mathematics from the California Institute of Technology (1963).

His research interests center on decision making, especially cognitive processes, consumer decisions, and decision aiding. Besides scholarly publications, he has co-authored *Decision Traps* (1989) and *Winning Decisions* (2002), books for practicing professionals. Professor Russo has served on the editorial board of eight professional journals, filled a marketing research internship at Procter & Gamble, consulted for the Federal Trade Commission and the National Institute of Standards and Technology, and testified as a statistical expert in judicial proceedings. He is a Fellow of the American Psychological Society.

Eric H. Shaw is Professor and Chairman of Marketing at Florida Atlantic University. His teaching and research interests include the history of marketing and the development of marketing thought and theory. He is also interested in strategic marketing planning and decision-making under conditions of risk. Dr Shaw has received several awards for teaching excellence, his research has appeared in numerous journals, and he has consulted for start-ups to Fortune 500 companies.

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Allan D. Shocker is Visiting Professor of Marketing in the College of Business at San Francisco State University. He retired in 1998 from the University of Minnesota, where he was the Curtis L. Carlson Professor of Marketing. Previously, he held positions at the Universities of Washington, Vanderbilt, Pittsburgh, and Cornell. His B.S. is from Stanford and his M.B.A. and Ph.D. are from Carnegie-Mellon.

He is author/co-author of more than 50 articles and on the editorial boards of the *Journal of Marketing Research* and *Journal of Marketing*. He co-edited a special issue on brand management (May 1994) for the *Journal of Marketing Research*. Two of his articles have been honored by major journal awards. He is co-developer (with V. Srinivasan, Stanford) of LINMAP, a PC-based computer program for performing conjoint analysis. His research assists managers in understanding buyer perceptions of, and preferences for, products and services and the influences of the contexts in which these are formed. He has contributed to our knowledge of brand equity.

Steven M. Shugan is a Russell Berrie Foundation Eminent Scholar and Professor of Marketing, University of Florida Business School. He has a Ph.D. (MEDS-Managerial Economics, 1978, Northwestern University), an M.B.A. (1974) and an S.B. (Chemistry/Mathematics, Southern Illinois University, 1973). He has taught multivariate data analysis, services marketing, marketing models, new product development, econometrics, and more. His current research interests include advance-selling, markets for evaluative information, models of selling and product policy. He is widely published in the areas of management and marketing. He has served on ten editorial boards and is the current Editor-in-Chief of *Marketing Science*. He has consulted for over 20 different firms as well as the Government of Cyprus. He was won several best paper awards (including *Marketing Science* and *Journal of Marketing*) and best teaching awards. He was formerly a full professor at University of Chicago (13 years) and an assistant professor at the University of Rochester (2 years).

Steve enjoys scuba diving and playing on the Internet.

Ivan J. Snehota is Professor of Marketing at the University of Lugano in Switzerland and at the Department of Business Studies at Uppsala University in Sweden.

Born in the Czech Republic, he graduated in Sweden at Uppsala University in 1971 where he was Associate Professor of Business Administration 1972–1977. In 1978, he moved to Italy, where he worked as a manager in business and consulting. Prior to his return to Sweden in 1991, he served for several years as faculty member at Bocconi Business School in Milan, Italy. Professor Snehota was Associate Professor of Marketing at the Stockholm School of Economics in Sweden from 1995 to 2002. He is author and co-author of several books and articles on various topics of business-to-business marketing and business development. He has been a lecturer and invited speaker in a number of in-company training programs and business schools in Europe. He is a founding member of the IMP research program on international industrial marketing.

David Soberman is Assistant Professor of Marketing at INSEAD. He holds a Ph.D. (Management) from the University of Toronto and an M.B.A. and B.Sc. in Chemical Engineering from Queen's University in Kingston. His research is focused on understanding how the operation of markets is affected by the exchange of information between firms and customers, relationships within the distribution channel, and the introduction of innovations and new information. Professor Soberman's recent co-authored article in *Marketing Science*, 'Markets for Product Modification Information', was the recipient of the John D.C. Little Best Paper Award. Before his doctoral studies, Professor Soberman held a number of positions in marketing management, sales, and engineering with Molson Breweries, Nabisco Brands Ltd., and Imperial Oil Ltd.

David W. Stewart, Ph.D., is the Robert E. Brooker Professor of Marketing and Deputy Dean of the Marshall School of Business at the University of Southern California. He previously served as the Chairman of the Department of Marketing in the Marshall School. Prior to moving to Southern California in 1986, he was Senior Associate Dean and Associate Professor of Marketing at the Owen Graduate School of Management, Vanderbilt University. Dr Stewart is a past editor of the *Journal of Marketing*. He has authored or co-authored more than 150 publications and six books. His research has examined a wide range of issues including marketing strategy, the analysis of markets, consumer information search and decision making, effectiveness of marketing communications, and market research methodology. His research and commentary are frequently featured in the business and popular press. Professor Stewart received his B.A. from the University of Louisiana at Monroe and his M.A. and Ph.D. in psychology from Baylor University.

Frederick E. Webster, Jr. is the Charles Henry Jones Third Century Professor of Management at the Tuck School of Business at Dartmouth College and Visiting Scholar at the Eller College of Business and Public Administration at the University of Arizona. He earned his Ph.D. at Stanford. His research and writing have concentrated on marketing strategy and organization, especially in industrial markets. His article 'The Changing Role of Marketing in the Corporation' received the Alpha Kappa Psi Award from the *Journal of Marketing* for its contribution to management understanding of marketing. His most recent book is the revised edition of *Market-Driven Management: How to Define, Develop, and Deliver Customer Value* (Wiley, 2002).

William L. Wilkie is the Aloysius and Eleanor Nathe Professor of Marketing at the University of Notre Dame. His research centers on marketing and society, consumer behavior, and advertising. Professor Wilkie was recently honored by the American Marketing Association's highest recognition, the Distinguished Marketing Educator Award. He has served as President of the Association for Consumer Research, and on the editorial boards of the *Journal of Marketing, Journal of Marketing Research, Journal of Consumer Research*, and *Journal of Public Policy & Marketing*. One of his articles has been named a 'Citation Classic in the Social

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Sciences' by the Institute for Scientific Information. Prior to Notre Dame, he served on the faculties at Purdue, Harvard, and Florida, as an in-house consultant at the Federal Trade Commission's Bureau of Consumer Protection, and as Research Professor at the Marketing Science Institute. Professor Wilkie's undergraduate degree is from Notre Dame. His graduate work was at Stanford, where he was a Fellow in the Stanford-Sloan Executive Program and earned M.BA. and Ph.D. degrees.

Russell S. Winer is the J. Gary Shansby Professor of Marketing Strategy and the Chair of the marketing group at the Haas School of Business, University of California at Berkeley. He received a B.A. in Economics from Union College (NY) and an M.S. and Ph.D. in Industrial Administration from Carnegie Mellon University. He has been on the faculties of Columbia and Vanderbilt universities and has been a visiting faculty member at MIT, Stanford University, New York University, the Helsinki School of Economics, the University of Tokyo, and École Nationale des Ponts et Chausées. He has written three books, Marketing Management, Analysis for Marketing Planning and Product Management, and has authored over 50 papers in marketing on a variety of topics including consumer choice, marketing research methodology, marketing planning, advertising, and pricing. He is a past editor of the Journal of Marketing Research, the current coeditor of the Journal of Interactive Marketing, and is on the editorial boards of the Journal of Marketing, the Journal of Marketing Research, Marketing Science, and the California Management Review. Professor Winer is the academic director of the Fisher Center for the Strategic Use of Information Technology at the Haas School and co-director of the Center for Marketing and Technology.

Valarie A. Zeithaml is the Roy and Alice Richards Bicentennial Professor and Area Chair at the Kenan-Flagler Business School of the University of North Carolina, Chapel Hill. She obtained an M.B.A. and doctorate from the University of Maryland and has devoted the last 20 years to researching and teaching the topics of service quality and services management. She is the author of three service books: *Delivery Quality Service: Balancing Customer Perceptions and Expectations, Driving Customer Equity*, and *Services Marketing* – a textbook now in its third edition. She has won numerous teaching and research awards including the Ferber Award from the *Journal of Consumer Research*, the Maynard Award from the *Journal of Marketing Science*, and the O'Dell Award from the *Journal of Marketing Research*. She has consulted with more than 40 service and product companies.

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