LETTER FROM THE CHAIR

RUSS WINER

As Chair, I am thrilled to write this message for our inaugural Stern Marketing Department newsletter. This is an exciting time for the department. We have 29 full time faculty, and 35 adjunct faculty members. Over the last two years, we have hired two terrific young scholars, Adam Alter and Sam Hui. As you can see from the information provided in this newsletter, Stern faculty are highly engaged in producing research. Since 2009, they published 66 papers and four books. We continue to be at the forefront of providing service to the field: Tülin Erdem is the current editor of the Journal of Marketing Research, Geeta Menon is the President of the Association for Consumer Research, Vicki Morwitz is the President Elect of the Society of Consumer Psychology, and Joel Stockel has recently taken on the editorship of Marketing Letters. In addition, many of our faculty are associate editors and on journal advisory boards. We are also justifiably proud of our doctoral program, as it is one of the best programs in the Stern School. Our placement record continues to be superb, and we are fortunate to have a strong current group of students. Over the last two years we have placed Jeff Galak at Carnegie Mellon, Ellie Kyung at Dartmouth, Edith Scope-Shalev at Technion, and Rachel Shacham at Minnesota.

Stern faculty have also been widely covered in the media. Faculty research is frequently featured in The Wall Street Journal, Time, NPR, The New York Times, and other prestigious media outlets. In fact, in the last year, Stern faculty generated over 250 media hits – that translates to almost one faculty mention in the news every working day.

Finally, with respect to degree programs, we recently launched a Luxury Marketing specialization in the MBA program. Although only in its first fall year, 10 percent of our entering students (about 40) indicated that they were going to choose this new specialization.

We also recently launched The Center for Measurable Marketing, headed by E. Craig Stacey and Dawn Lesh.

As you can see, our department is in a great place. We have outstanding faculty, a terrific support staff, and a vibrant student community. I hope you learn even more about us through this newsletter, put together by Anya Tokos, Sarah Jones, and Christopher Gu, under Henry Assael and Priya Raghunib's guidance.

Sincerely,

[Signature]

Vicki Morwitz, Geeta Menon, and Russ Winer
FACULTY SPOTLIGHT

INTERVIEW WITH PROFESSOR KA-CHUEN HUI

The following interview with Professor Ka-chuen (Sam) Hui was conducted by Professor C. Samuel Craig.

SC: What do you love most and least about being in New York City?

KH: What I love most: great restaurants, especially Japanese ones. What I like least: sometimes they are too overcrowded.

SC: What do you do for fun? (Other than research, that is ...)

KH: Badminton; board games, including Settler and Diplomacy; going to the gym; movies; making websites; trying out different restaurants; babysitting! The newest addition.

SC: If there is one sentence that would summarize why you feel you are as successful as you are, what would that be?

KH: Wow that’s a huge overstatement! I did have a smooth start, mainly because I have such great mentors and co-authors who taught me so much. I definitely hope to continue building new relationships, learning new things, and trying new problems. Maybe one day I will be as successful as any of my mentors, but even if not, I would have had a fun & challenging career.

SC: Has the baby arrived yet?

KH: Alicia was born on July 28. The past week was all about feeding and diapering. It was surprisingly fun and I can’t help smiling whenever I see her face.

RESEARCH HIGHLIGHT

PROFESSOR JUSTIN KRUGER

Cut medical benefits or lower salaries? Layoff workers or go bankrupt? Risk today’s bottom line or tomorrow’s? Dilemmas such as these are often unavoidable, and new research coming out of the Marketing Department suggests that if you are choosing between two unsavory alternatives, you are likely to be blamed no matter what choice you make.

This classic conundrum of “you’re damned if you do, and damned if you don’t,” is explored in a recent study by NYU Stern Marketing Professor Justin Kruger. Citing an example from the world of politics, Kruger says, “If the government bailouts don’t work, President Obama will surely be blamed. On the flipside, he would likely have been blamed for not pushing for the bailouts as well.”

In his co-authored paper, “Between a Rock and a Hard Place: Damned if You Do, Damned if You Don’t,” (Kruger, Burrus, and Kressel, JESB 2009), two experiments involving two difficult decisions are reported. In Study 1, a real life divorce case, the decision was to which of two seemingly unfit parents sole child custody should be awarded. In Study 2, participants were asked to decide which of two unpleasant tasks to perform. In both cases, participants tended to evaluate both the decision and decision-maker negatively regardless of his or her choice, and regardless of the fact that there were no other options available.
In another paper, Justin Kruger along with Stern alum Jeff Galak, found that consumers frequently consume items to the point where they no longer enjoy them.

In a pilot study and two experiments spanning three distinct classes of stimuli, they found that people can recover from this satiation by simply recalling the variety of alternative items they have consumed in the past. And yet, people seem to exhibit "variety amnesia" in that they do not spontaneously recall this past variety despite the fact that it would result in a desirable decrease in satiation. Thus, rather than satiation being a fixed physiological process, it appears that it is at least partially constructed in the moment. They discuss some of the theoretical implications of these findings and provide some prescriptive measures for both marketers and consumers.


FACULTY SPOTLIGHT
PROFESSOR ADAM ALTER

The following interview with Professor Adam Alter was conducted by Professor Henry Assael.

HA: After receiving your Ph.D. last year from Princeton, you’ve produced several publications. Could you tell us about the motivation behind your work?

AA: I started working as a research assistant in the Law and Psychology departments at the University of New South Wales when I was a second year undergraduate. I was lucky to work on a couple of very interesting projects, and two years later I decided to apply to U.S. Social Psychology Ph.D. programs. My luck continued when I arrived at Princeton, where I was privileged to work with a series of brilliant professors. They encouraged me to study what interested me, rather than merely pursuing projects that promoted their own research agendas, and I found that early sense of autonomy very motivating. There aren’t many professions that allow you to spend so much time doing exactly what you like, and it’s easier to be passionate about projects that you’ve chosen to pursue than about tasks that are shaped by other people’s needs and interests.

HA: Why did you choose to be in a business school, and what specifically brought you to NYU Stern?

AA: I’m interested in the intersection between social psychology, and judgment and decision making, and over the past decade or so, many researchers with similar interests have migrated from Psychology departments to business schools. One reason why we’ve migrated en masse is that our interests naturally align with marketing and consumer behavior. Some of my early research as a grad student looked at the relationship between the simplicity of a financial stock’s name, and its early performance on the market. The topic interested me on a theoretical level, because I began to develop an interest in how simplicity and complexity shape our impressions of all sorts of targets in the environment, from people to stocks; but it also interested me on a practical level, because marketers and financial experts have long struggled to explain why some stocks perform well when they first enter the markets, and why others perform poorly. Applying a couple of well-established theories from psychology, we found that stocks with simpler names were more appealing, and they tended to outperform their counterparts with more complex names during their first week of trading.

I chose Stern for lots of reasons. My colleagues are brilliant, but they’re also collegial, and it’s hard to imagine beginning an academic career in a more supportive environment. We’re also lucky to have a vibrant graduate program, which has made teaching and working with the Ph.D. students a pleasure.

HA: What do you love most and least about working in New York City? Greenwich Village?

AA: I like almost everything about this area of the city. I love seeing live music, art exhibitions, and plays, and there’s plenty of all three in and around the Village. The restaurants are fantastic, too. I also spend a lot of time running, and though I enjoy running along the shore of the Hudson and in Central Park, one of very few downsides to living in the heart of the city is that there aren’t as many running options as there are in smaller towns. But that’s a minor issue, and I’m generally very happy living in the Village.

MARKETING FAREWELLS

This year the Marketing Department bid farewell to two long-term members of the NYU Stern community. They are deeply missed.

On February 8, 2010, our dear friend Shaaron Gomes passed away after a heroic battle with cancer. She was at Stern for 21 years.

Marie Palumbo, who had been at Stern since 1980, retired after 29 years of dedicated service.
RECENT PUBLICATIONS

2009


**Forthcoming**


**Books/Monographs**


Please visit visit www.stern.nyu.edu/Marketing/Research/ Publications/index.htm for a list of working papers, as well as publications by year.
STERN IN THE NEWS

SELECTED MEDIA MENTIONS

AUGUST 2010
Professor Sam Hu’s research on predicting box office performance from movie scripts was referenced on NPR.

Scott Galloway was cited in the TIME Magazine study, “GOP Out Tweets the Dems,” as well as the CNN study, “Mc Cain Is A Social Media Genius.” Professor Galloway’s concept of Digital IQ was also featured on FOX News in “Has GOP Closed the Digital Divide?” He also added to The New York Times article, “McCain Looks to Complete a Comeback.”

Professor Tom Meyvis’ research on hedonistic experiences, which shows that longer vacations do not necessarily give us better memories, was highlighted in The Independent.

Professor Al Lieberman commented in The Atlanta Journal on NYU Stern’s Entertainment, Media and Technology program, saying that it served as a model for Emory’s new program in Film and Media Management.

Scott Galloway appeared on Bloomberg TV to talk about luxury brand marketing and the purchasing behavior of U.S. consumers.

JULY 2010
Priya Raghubir’s study finding that consumers are less likely to spend cash held in large denominations was highlighted in the TIME Magazine article “British ATM Network Uses Small Banknotes to Push Savings.”

Sam Hu’s new model to predict box office revenue from movie scripts was referenced on FOX Business News. His model was also featured in The Financial Post.

Scott Galloway commented in The Washington Post on the design of Apple Inc.’s products. He also appeared on Bloomberg TV to discuss their latest designs.

Samuel Craig commented on the Metro NY article “Renaming Stations Is a Risky Business Plan,” saying that companies might think twice about being associated with a troubled agency.

Al Lieberman reflected on the marketing behind the Twilight film series in “Twilight Marketer Digs Fangs Into Core Audience,” from Marketing News Exclusives.

Tom Meyvis’s work with Leif Nelson on consumers’ adaptation to experience and the disrupting influence of breaks, as applied to vacation and the stock market, was featured in Investor’s Chronicle, The Week, and The Independent.

Justin Kruger’s research with David Dunning on the difficulty of recognizing one’s own shortcomings was cited in The New Yorker and several blogs.

Professor Adam Alter commented in Psychology Today on the human penchant for patterns using Paul the Octopus who was used to predict the outcome of the World Cup, as an example.

Professor Eric Greenleaf shared his views on social shopping networks on Marketplace.

Eric Greenleaf’s work with the New York City public school system has been frequently referenced in the media.

JUNE 2010
Tom Meyvis’s research on how best to utilize vacation time was cited in The Boston Globe.

Professor Priya Raghubir’s paper on measuring the effect of corporate social responsibility on stakeholders was highlighted in Marketing Weekly News.

Professor Justin Kruger’s research on an individual’s ability to recognize his or her own incompetence was referenced in The New York Times blog.

PhD student Wenbo Wang’s research, showing that consumers’ ‘lay theories’ of medicine influence their behavior in the area of health, was highlighted in Science Letter.

MAY 2010
Vicki Morwitz shared her thoughts on the benefits of allowing consumers to determine pricing for their purchases on American Public Media.

Scott Galloway discussed the Generation Next Forum in The Economist article “Out of the Mouths of Babes.”

Scott Galloway presented his Digital IQ concept on Bloomberg TV in “China: The Biggest Opportunity for Prestige & Luxury Brands in a Generation.”

APRIL 2010
Eitan Muller shared his perspective on the Apple iPad’s potential market with The New York Times and International Herald Tribune.

Professor Adam Alter speaks on predictable quirks in how people perceive the passage of time in Psychology Today.
MARCH 2010
Priya Raghubir was featured on the WPIX-TV Channel 11 News in their story “Big Brother Goes to the Mall.” She commented on shopper surveillance without customer consent, saying that it was an ethical issue.

Vicki Morwitz shared her thoughts on the benefits of allowing consumers to determine pricing for their purchases in American Public Media’s piece “To Pay or Not to Pay.”

Eric Greenleaf was cited by American Public Media in their piece “Social Shopping Sites High in Data Value. He shared his views on social shopping networks, saying that they could change business as usual.

FEBRUARY 2010
Priya Raghubir’s co-authored research identifying three strategic ways that men and women use their gender to get ahead in competition was referenced by Business News.

Professor Ellie Kyung’s co-authored study on why some memories feel close and others far away was referenced. Additional coverage appeared in Science Letter.

Full archives for Stern In The News can be found at: http://w4.stern.nyu.edu/newsroom/steininthemenews.cfm

MBA ALUMNI SPOTLIGHT
INTERVIEW WITH DAN PELSON, Head, Direct-to-Consumer Marketing, Sony Music

The following interview with Dan Pelson was conducted by Professor Henry Assael.

HA: You started one of the first social networking sites, Bolt.com in 1997, about ten years before Facebook and Twitter. What led you to establish Bolt?

DP: When Bolt was started, the primary goal was to fill a void in the media landscape for teen-focused entertainment properties. The end result was a communication platform that served as the first social network for young consumers.

HA: Subsequently, you started uPlayMe, a social networking site for music. What led you to a music oriented social networking site, and what were some of the problems in getting this off the ground?

DP: uPlayMe is very similar to what Apple just announced with their new version of iTunes, called Ping, except that it works across dozens of media sources including iTunes, Windows Media Player, YouTube, Hula, and so on. The challenge in getting it off the ground is the same challenge that any consumer-focused internet business faces: Finding the book that drives the adoption rate from thousands to millions.

HA: Most recently, you directed Global Consumer Marketing for Warner Music Group and now head Direct-to-Consumer Marketing for Sony Music. What are some of the challenges you face in the corporate world as compared to being an entrepreneur?

DP: At Sony Music, I’m lucky in that I’ve been given a very entrepreneurial role within a large company that happens to be in a rapidly changing and exciting business. I go to work everyday thinking about how to reinvent the music industry by leveraging a direct relationship with fans as opposed to one that is disintermediated by retailers. While the industry will continue to rely heavily on our retailers to sell our product over the next few years, the entire notion of how fans get access to our product, and even what that product is, has forever changed, and continues to evolve in seemingly a daily basis. As an entrepreneur, disruption in the marketplace is a good thing, and my role at Sony Music affords me the opportunity to leverage a tremendous brand, incredible content, and significant expertise and resources to help transform the company for the future.

HA: As a successful entrepreneur, what advice might you give students with an entrepreneurial bent?

DP: 1) It’s better to have the right entrepreneurial DNA than the right idea.

2) Surround yourself with people who are smarter than you. The best entrepreneurs are great leaders, not great inventors. Having a vision is critical, but allow others to make it better is even more important.

3) Don’t be afraid to fail, but make sure you fail fast.

4) Stay confident, but don’t believe your own nonsense. The vast majority of people you speak to will tell you your idea won’t work, even if it’s the next Google. Stay confident in yourself, but also be honest with yourself. All great entrepreneurs are excellent salespeople and blow a little smoke now and then to sell a concept, but you need to stay true to yourself by knowing what’s real and what’s not real.

5) If you’re not having fun, stop.
NEW SPECIALIZATION

LUXURY MARKETING

The Marketing Department offers a new Luxury Marketing specialization adding to the popular Brand Management and Entertainment, Media and Technology specializations.

Courses that will count toward this specialization include:

- Luxury Marketing
- Luxury 2.0: Prestige Brands in a Digital Age
- Advanced Marketing Planning
- Brand Strategy
- Doing Business in Italy: Luxury Marketing
- Retail Strategy
- Supply Chain Management
- Pricing Strategies
- Operations in Entertainment; Las Vegas
- Entrepreneurial Selling
- Innovation & Design

RESEARCH SPOTLIGHTS

SOCIAL NETWORKS PROFESSOR EITAN MULLER

Professor of Marketing, Eitan Muller, along with Jacob Goldenberg of The Hebrew University of Jerusalem, Barak Libai of Tel Aviv University, and Stefan Streuersh of Erasmus University Rotterdam, examines the growing social network of marketing academics. The researchers provide a comprehensive database of the collaboration network among marketing scholars over the last 40 years. Based on the ProQuest database, it documents the social collaboration among researchers in dozens of the leading marketing journals, enabling the creation of networks of active marketing researchers. Unlike most of the published academic collaboration research, the database is dynamic and follows the evolution of the field over many years. The authors point out several idiosyncrasies of the data that might lead to further research. For example, if one looks at the average separation (as in “six degrees of separation”) and the size of the marketing discipline, in 2008, network size is more than 25 times that of 1979; yet average separation declined more than 35 percent. This intriguing phenomenon which may be related to the changing collaborating patterns over time is yet to be explored. Accepted for publication in Marketing Science, their paper provides insight into the evolution of social networks over time as well as the specific evolution of the marketing discipline.

DIGITAL IQ PROFESSOR SCOTT GALLOWAY

Professor Scott Galloway has created a Digital IQ Index for brands that measures measures site and e-commerce strength, digital marketing and mobile capabilities, social media savvy and search engine marketing and optimization. The results of his study with a team of experts from L2, who evaluated and ranked 82 prestige brands reveal a relationship between a firm’s Digital IQ® and its year-on-year revenue growth, suggesting digital competence may be a forward-looking indicator for sales.