

PETER S. FADER

Department of Marketing
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Academic experience

University positions

Department of Marketing, The Wharton School of the University of Pennsylvania

Frances and Pei-Yuan Chia Professor, 2004-present
Professor of Marketing, 2002-present
Associate Professor of Marketing, 1994-2002
Assistant Professor of Marketing, 1987-1994

Co-Director, Wharton Customer Analytics Initiative, 2008-present

Education

Ph.D. Massachusetts Institute of Technology, Sloan School of Management, 1987

S.M. Massachusetts Institute of Technology, Sloan School of Management, 1985

S.B. Massachusetts Institute of Technology, Department of Mathematics, 1983

Research interests

Using behavioral data to understand and forecast customer shopping/purchasing activities across a wide range of industries such as consumer packaged goods, interactive media, financial services, and pharmaceuticals. Managerial applications focus on topics such as customer relationship management, lifetime value of the customer, and sales forecasting for new products. Much of my research highlights the consistent (but often surprising) behavioral patterns that exist across these industries and other seemingly different domains.

New courses developed

Managing the Value of Customer Relationships (MBA)
Applied Probability Models in Marketing (Ph.D., MBA, and Undergraduate)
Solving the CRM Challenge (Executive)
Web Metrics: Making the Most of Your E-Commerce Data (Executive)
Prospering in a Newly Deregulated Environment (Executive)
Data-Based Brand Management (MBA)

Publications

A. Articles published or forthcoming in refereed journals

- Zheng, Zhiqiang, Peter Fader, and Balaji Padmanabhan (2011), "From Business Intelligence to Competitive Intelligence: Inferring Competitive Measures Using Augmented Site-Centric Data," *Information Systems Research*, forthcoming.
- Schweidel, David A., Eric T. Bradlow, and Peter S. Fader (2011), "Portfolio Dynamics for Customers of a Multiservice Provider," *Management Science*, 57 (3), 471-486.
- Jerath, Kinshuk, Peter S. Fader, and Bruce G.S. Hardie (2011), "New Perspectives on Customer 'Death' Using a Generalization of the Pareto/NBD Model," *Marketing Science*, 30 (5), 866-880.
- Fader, Peter S., and Bruce G.S. (2011), "Comment on 'On Estimating Current-Customer Equity Using Company Summary Data'," *Journal of Interactive Marketing*, 25 (1), 18-19.
- Fader, Peter S., Bruce G.S. Hardie, and Jen Shang (2010), "Customer-Base Analysis in a Discrete-Time Noncontractual Setting," *Marketing Science*, 29 (6), 1086-1108.
- Fader, Peter S., and Bruce G.S. Hardie (2010), "Customer-Base Valuation in a Contractual Setting: The Perils of Ignoring Heterogeneity," *Marketing Science*, 29 (1), 85-93.
- Moe, Wendy W., and Peter S. Fader (2009), "The Role of Price Tiers in Advance Purchasing of Event Tickets," *Journal of Service Research*, 12 (1), 73-86.
- Hui, Sam K., Eric T. Bradlow, and Peter S. Fader (2009), "Testing Behavioral Hypotheses Using an Integrated Model of Grocery Store Shopping Path and Purchase Behavior," *Journal of Consumer Research*, 36 (3), 478-493.
- Fader, Peter S., and Bruce G.S. Hardie (2009), "Probability Models for Customer-Base Analysis," *Journal of Interactive Marketing*, 23 (1), 61-69.
- Hui, Sam K., Peter S. Fader, and Eric T. Bradlow (2009), "Path Data in Marketing: An Integrative Framework and Prospectus for Model-Building," *Marketing Science*, 28 (2), 320-335.
- Schweidel, David A., and Peter S. Fader (2009), "Dynamic Changepoints Revisited: An Evolving Process Model of New Product Sales," *International Journal of Research in Marketing*, 26 (2) 119-124.
- Hui, Sam K., Peter S. Fader, and Eric T. Bradlow (2009), "The Traveling Salesman Goes Shopping: The Systematic Deviations of Grocery Paths from TSP-Optimality," *Marketing Science*, 28 (3), 566-572.
- Schweidel, David A., Peter S. Fader, and Eric T. Bradlow (2008), "A Bivariate Timing Model of Customer Acquisition and Retention," *Marketing Science*, 27 (5), 829-843.
- Schweidel, David A., Peter S. Fader, and Eric T. Bradlow (2008), "Modeling Service Retention Within and Across Cohorts under Limited Information," *Journal of Marketing*, 72 (1), 82-94.

- McShane, Blake, Moshe Adrian, Eric T. Bradlow, and Peter S. Fader (2008), "Count Models Based on Weibull Interarrival Times," *Journal of Business and Economic Statistics*, 26 (3), 369-378.
- Fader, Peter S., Bruce G.S. Hardie, and Kinshuk Jerath (2007), "Estimating CLV Using Aggregated Data: The Tuscan Lifestyles Case Revisited," *Journal of Interactive Marketing*, 21 (3), 55-7.
- Fader, Peter S. and Bruce G.S. Hardie (2007), "How to Project Customer Retention," *Journal of Interactive Marketing*, 31 (1), 76-90.
- Braun, Michael, Peter S. Fader, Eric T. Bradlow and Howard Kunreuther (2006), "Modeling the 'Pseudodeductible' in Insurance Claims Decisions," *Management Science*, 52 (8), 1258-1272.
- Kamakura, Wagner, Carl Mela, Anand Bodapati, Peter Fader, Raghuram Iyengar, Prasad Naik, Scott Neslin, Baohong Sun, Michel Wedel, and Ron Wilcox (2006) "Choice Models and Customer Relationship Management," *Marketing Letters*, 16 (4) 279-91.
- Jeffrey S. Larson, Eric T. Bradlow, and Peter S. Fader (2005), "An Exploratory Look at Supermarket Shopping Paths," *International Journal of Research in Marketing*, 22 (December), 395-414.
- Fader, Peter S., Bruce G.S. Hardie, and Ka Lok Lee (2005b), "RFM and CLV: Using Iso-value Curves for Customer Base Analysis," *Journal of Marketing Research*, 42 (November), 415-430.
- Fader, Peter S., Bruce G.S. Hardie, and Ka Lok Lee (2005a), "'Counting Your Customers' the Easy Way: An Alternative to the Pareto/NBD Model," *Marketing Science*, 24 (Spring), 275-284.
- Fader, Peter S. and Bruce G.S. Hardie (2005), "The Value of Simple Models in New Product Forecasting and Customer-Base Analysis," *Applied Stochastic Models in Business and Industry*, 21 (4-5), 461-473.
- Park, Young-Hoon, and Peter S. Fader (2004), "Modeling Browsing Behavior at Multiple Web Sites," *Marketing Science*, 23 (Summer), 280-303.
- Fader, Peter S., Bruce G.S. Hardie, and Chun-Yao Huang (2004), "A Dynamic Change-point Model for New Product Sales Forecasting," *Marketing Science*, 23 (Winter), 50-65.
- Moe, Wendy and Peter S. Fader (2004), "Dynamic Conversion Behavior at e-Commerce Sites," *Management Science*, 50 (3), 326-335.
- Johnson, Eric J., Wendy Moe, Peter S. Fader, Steven Bellman, and Jerry Lohse (2004), "On the Depth and Dynamics of Online Search Behavior," *Management Science*, 50 (3), 299-308.
- Moe, Wendy and Peter S. Fader (2004), "Capturing Evolving Visit Behavior in Clickstream Data," *Journal of Interactive Marketing*, 18 (Winter), 5-19.
- Fader, Peter S., Bruce G.S. Hardie, Robert Zeithammer (2003), "Forecasting New Product Trial in a Controlled Test Market Environment," *Journal of Forecasting*, 22 (August), 391-410.
- Moe, Wendy W. and Peter S. Fader (2002), "Using Advance Purchase Orders to Forecast New Product Sales," *Marketing Science*, 21 (Summer), 347-364.

- Fader, Peter S. and Bruce G.S. Hardie (2002), "A Note on an Integrated Model of Customer Buying Behavior," *European Journal of Operational Research*, 139 (3), 682-687.
- Bradlow, Eric T., Bruce G.S. Hardie, and Peter S. Fader (2002), "Bayesian Inference for the Negative Binomial Distribution via Polynomial Expansions," *Journal of Computational and Graphical Statistics*, 11 (1), 189-202.
- Moe, Wendy W. and Peter S. Fader (2001), "Uncovering Patterns in Cybershopping," *California Management Review*, 43 (Summer), 106-117. (Reprinted in *Understanding Consumer Behavior*, Harvard Business School Publishing, 2002.)
- Fader, Peter S. and Bruce G.S. Hardie (2001), "Forecasting Repeat Sales at CDNOW: A Case Study," *Interfaces*, 31 (May-June), S94-S107.
- Moe, Wendy W. and Peter S. Fader (2001), "Modeling Hedonic Portfolio Products: A Joint Segmentation Analysis of Music CD Sales," *Journal of Marketing Research*, 38 (August), 376-385.
- Bradlow, Eric T. and Peter S. Fader (2001), "A Bayesian Lifetime Model for the 'Hot 100' Billboard Songs," *Journal of the American Statistical Association*, 96, 368-381.
- Fader, Peter S. and Bruce G.S. Hardie (2000), "A Note on Modelling Underreported Poisson Counts," *Journal of Applied Statistics*, 27 (8), 953-964.
- Hardie, Bruce G.S., Peter S. Fader, and Michael Wisniewski (1998), "An Empirical Comparison of New Product Trial Forecasting Models," *Journal of Forecasting*, 17 (June/July), 209-229.
- Fader, Peter S. and Bruce G.S. Hardie (1996), "Modeling Consumer Choice Among SKUs," *Journal of Marketing Research*, 33 (November), 442-452.
- Bhattacharya, Chitrabhanu, Peter S. Fader, Leonard M. Lodish, and Wayne S. DeSarbo (1996), "The Relationship Between the Marketing Mix and Share of Category Requirements," *Marketing Letters*, 7 (January), 5-18.
- Winer, Russell S., Randolph E. Bucklin, John Deighton, Tulin Erdem, Peter S. Fader, J. Jeffrey Inman, Hotaka Katahira, Kay Lemon, and Andrew Mitchell (1994), "When Worlds Collide: The Implications of Panel Data-Based Models for Consumer Behavior," *Marketing Letters*, 5 (October), 383-394.
- Fader, Peter S. and David C. Schmittlein (1993), "Excess Behavioral Loyalty for High-Share Brands: Deviations from the Dirichlet Model for Repeat Purchasing," *Journal of Marketing Research*, 30 (November), 478-493.
- Fader, Peter S. and James M. Lattin (1993), "Accounting for Heterogeneity and Nonstationarity in a Cross-Sectional Model of Consumer Purchase Behavior," *Marketing Science*, 12 (Summer), 304-317.
- Hardie, Bruce G.S., Eric J. Johnson, and Peter S. Fader (1993), "Modeling Loss Aversion and Reference Dependence Effects on Brand Choice," *Marketing Science*, 12 (Fall), 378-394.
- Fader, Peter S. (1993), "Integrating the Dirichlet-Multinomial and Multinomial Logit Models of Brand Choice," *Marketing Letters*, 4 (April), 99-112.

- Fader, Peter S., James M. Lattin, and John D.C. Little (1992), "Estimating Nonlinear Parameters in the Multinomial Logit Model," *Marketing Science*, 11 (Fall), 372-385.
- Fader, Peter S. and Leonard M. Lodish (1990), "A Cross-Category Analysis of Category Structure and Promotional Activity for Grocery Products," *Journal of Marketing*, 54 (October), 52-65.
- Fader, Peter S. and Leigh McAlister (1990), "An Elimination by Aspects Model of Consumer Response to Promotion Calibrated on UPC Scanner Data," *Journal of Marketing Research*, 27 (August), 322-332.
- Fader, Peter S. and John R. Hauser (1988), "Implicit Coalitions in a Generalized Prisoners' Dilemma," *Journal of Conflict Resolution*, 32 (September), 553-582.
- McAlister, Leigh, Max H. Bazerman, and Peter S. Fader (1986), "Power and Goal Setting in Channel Negotiations," *Journal of Marketing Research*, 23 (August), 228-236.

B. Articles under review at (or being revised for) refereed journals

- Feit, Eleanor M., Pengyuan Wang, Eric T. Bradlow, and Peter S. Fader (October 2011), "Modeling Multi-Platform Media Consumption for the FIFA World Cup," under first review at the *Journal of Marketing Research*.
- Schwartz, Eric M., Eric T. Bradlow, Peter S. Fader, and Yao Zhang (August 2011), "'Children of the HMM': Modeling Longitudinal Customer Behavior at Hulu.Com," under first review at *Marketing Science*.
- Jerath, Kinshuk, Peter S. Fader, and Bruce G.S. Hardie (May 2011), "Customer-Base Analysis on a 'Data Diet': Model Inference Using Repeated Cross-Sectional Summary (RCSS) Data," completed first review at *Management Science*, being revised for resubmission.
- Abhishek, Vibhanshu, Kartik Hosanagar, and Peter Fader (March 2011), "On Aggregation Bias in Sponsored Search Data: Existence and Implications," completed first review at *Marketing Science*.

C. Books

- Fader, Peter S. (2011), "Customer Centricity: What It Is, What It Isn't, and Why It Matters," Wharton Digital Press.

D. Book chapters and other publications

- Fader, Peter S. and Wendy W. Moe (2009), "Integrating Online and Offline Retailing," in Herb Sorensen (ed.), *Inside the Mind of the Shopper: The Science of Retailing*. Wharton School Publishing.
- Fader, Peter S., and Bruce G.S. Hardie (2009), "Forecasting Customer Lifetime Value," *ForecastPRO Trends*, January 2009.
- Lee, Ka Lok, Peter S. Fader, and Bruce G.S. Hardie (2007), "How to Project Patient Persistency," *Foresight: The International Journal of Applied Forecasting*, Issue 8, 31-35.

- Fader, Peter S., Bruce G.S. Hardie, and Ka Lok Lee (2006), "CLV: More than Meets the Eye," *Marketing Research*, 18 (Summer), 8-15.
- Fader, Peter S. (2005), "Comment on 'The Tripping Point'," *Marketing Research*, 17 (Summer), 42.
- Fader, Peter S. and Bruce G.S. Hardie (2001), "Decision Models or Descriptive Models: A Response to Ehrenberg, Barnard, and Sharp," *Marketing Research*, 13 (Winter), 41-42.
- Fader, Peter S. and Bruce G.S. Hardie (2001), "Forecasting the Trial Sales of New Consumer Packaged Goods," in J. Scott Armstrong (ed.), *Principles of Forecasting: A Handbook for Researchers and Practitioners*, Norwell, MA: Kluwer Academic Publishers.
- Fader, Peter S. and Bruce G.S. Hardie (1999), "Investigating the Properties of the Eskin/Kalwani & Silk Model of Repeat Buying for New Products," in Lutz Hildebrandt, Dirk Annacker, and Daniel Klapper (eds.), *Marketing and Competition in the Information Age, Proceedings of the 28th EMAC Conference, May 11-14, Berlin: Humboldt University.*
- Fader, Peter S. and Bruce G.S. Hardie (1998), "SKUs: Taking Stock of More than Brands," *Mastering Marketing Part 4*, Supplement to the Financial Times, 10/4/98. (Reprinted in *Mastering Marketing: Complete MBA Companion in Marketing*, Pearson Education, 1999.)
- Moorthy, K. Sridhar and Peter S. Fader (1989), "Strategic Interaction Within a Channel," in Pellegrini and Reddy (editors), *Retail and Marketing Channels*. London: Routledge.

E. Other working papers

- Schweidel, David A., Peter S. Fader, and Robert J. Meyer, "What Matters in Managerial Judgments of Customer Value?" Wharton Marketing Department Working Paper, October 2004.
- Fader, Peter S., Bruce G.S. Hardie, and Paul D. Berger, "Customer-Base Analysis with Discrete-Time Transaction Data," Wharton Marketing Department Working Paper, September 2004.
- Fader, Peter S. and Bruce G.S. Hardie, "Can We Infer 'Trial and Repeat' Numbers From Aggregate Sales Data?," Wharton Marketing Department Working Paper, November 2003.
- Fader, Peter S., Bruce G.S. Hardie, Robert Stevens, and Jim Findley, "Forecasting New Product Sales in a Controlled Test Market Environment," Wharton Marketing Department Working Paper, November 2003.
- Moe, Wendy and Peter S. Fader, "Modeling Online Store Visit Patterns as a Measure of Customer Satisfaction," Wharton Marketing Department Working Paper, May 2002.
- Moe, Wendy and Peter S. Fader, "Capturing Evolving Visit Behavior in Clickstream Data." Marketing Science Institute Working Paper 01-115, Spring 2001.
- Fader, Peter S. and Bruce G.S. Hardie, "Modeling the Evolution of Repeat Buying," Wharton Marketing Department Working Paper 98-031, July 1999.
- Hardie, Bruce G.S., Leonard M. Lodish, Peter S. Fader, Alistair P. Sutcliffe, and William T. Kirk, "Attribute-based Market Share Models: Methodological Developments and Managerial Applications," Wharton Marketing Department Working Paper, February 1998.

Hardie, Bruce G.S., Michael Wisniewski, Edward J. Fox, and Peter S. Fader, "Product Deletion Decisions for Consumer Packaged Goods," Wharton Marketing Department Working Paper, November 1997.

Fader, Peter S., Bruce G.S. Hardie, John D.C. Little, and Makoto Abe, "Calculating Market Response in Logit Models with Purchase Feedback," Wharton Marketing Department Working Paper 92-021R, March 1995.

Fader, Peter S. and John R. Hauser, "Effective Strategies for the Generalized Prisoners' Dilemma," Sloan School of Management Working Paper, January 1988.

Fader, Peter S. and Leigh McAlister, "A Note on the Relationship Between Promotion Sensitivity and Consumer-Specific Variables," Sloan School of Management Working Paper, June 1985.

Professional activities

Editorial responsibilities

Area Editor for *Marketing Science*, 2006 -

Member of Editorial Board of *Marketing Science*, 1992-

Member of Editorial Board of *Journal of Marketing Research*, 1994-

Member of Editorial Board of *Journal of Interactive Marketing*, 2001-

Member of Editorial Board of *Journal of Marketing*, 2005-

Member of Editorial Board of *International Journal of Research in Marketing*, 2009-

Ad hoc reviewer (and occasional guest editor) for numerous other journals, conferences, and award competitions.

Recent services for professional organizations

Advisory Board Member, Ehrenberg-Bass Institute for Marketing Science, 2007-present

Board of Trustees, Direct Marketing Educational Foundation, 2007-present

VP of Practice, INFORMS Society for Marketing Science, 2008-09

Member of Marketing Research Council, American Marketing Association, 2004-07

Chair, Section on Statistics in Marketing, American Statistical Association, 2000-01

Chair, Advanced Research Technique Forum, American Marketing Association, 2002

Marketing Series Advisor, CaseNet service, distributed by Thomson Publishing

University activities

Doctoral dissertation supervision

Advisor

Eric Schwartz (current)

Ka Lok Lee (current)

Sam Hui, Assistant Professor of Marketing, New York University

Kinshuk Jerath, Assistant Professor of Marketing, Carnegie Mellon University
Michael Braun Associate Professor of Marketing, Massachusetts Institute of Technology
George Knox, Assistant Professor of Marketing, Drexel University
David Schweidel, Assistant Professor of Marketing, University of Wisconsin, Madison
Young-Hoon Park, Associate Professor of Marketing, Cornell University
Wendy Moe, Associate Professor of Marketing, University of Maryland, College Park

Committee member

Vibhanshu Abhishek (current)
Necati Tereyagoglu (current)
Bruce Hardie, Professor of Marketing, London Business School
Chitrabhanu Bhattacharya, Professor of Corporate Responsibility, European School of Management and Technology
Zhiqiang Zheng, Associate Professor of Information Systems, University of Texas, Dallas
Chun-yao Huang (London Business School), Assistant Professor of Marketing, National Taiwan University
Michael Wisniewski (London Business School)
Orkun Sak

Wharton School/University of Pennsylvania committees

University Scholars Committee, 2005-present
Wharton Executive Education Faculty Committee, 2010-present
University Preceptorial Committee, 2009-10
Wharton Committee on Academic Freedom and Responsibility 2008-09
University Senate Executive Committee, 2005-08
Wharton Personnel Committee, 2003-05
University Bookstore Committee, 2004-05
MBA Executive Committee, 1995-96, 2001-2003; (Chair 2001-03)
University Library Committee, 1992-2005
Wharton Undergraduate Curriculum Committee, 1994-95, 1996-97
Lippincott Library Committee, 1989-93

Marketing department committees

Doctoral Committee, 1988-89, 1995-present
Computing & Web Site Committee, 1987-88, 1990-95, 1999-2002, 2009-10
Recruiting Committee, 1990-91, 1994-98, 2003, 2007
Curriculum Committee, 1989-90, 1993-94, 2007-present
Colloquium Coordinator, 1994-95
MBA Student Liaison, 1989-90, 1992-95
Undergraduate Student Liaison, 1990-92

Courses taught at Wharton

Managing the Value of Customer Relationships (MBA), 2009-2011
Applied Probability Models in Marketing (PhD, MBA, Undergraduate), 1999-2012
Marketing Management (MBA), 1987-88, 1994-2003, 2008
Introduction to Marketing (Undergraduate), 2004-07
Marketing Research (MBA and Undergraduate), 1987-96
Advanced Study Projects (MBA), 1989-91, 1998, 2000-01

Data-Based Brand Management (MBA), 1992-94

Executive education at Wharton (*in addition to a number of custom programs*)

Executive Development Program, 2007-present (Academic Director)
Marketing Metrics: Linking Marketing to Financial Consequences, 2003-present
Essentials of Marketing 2006-present
Competitive Marketing Strategy, 1990-present
Advanced Management Program, 2000-03, 2007-present
Pricing Strategies, 1990-2009
Solving the CRM Challenge, 2002-03 (Academic Director)
From Browsers to Buyers: Online Conversion Workshop, 2001 (Academic Director)
Web Metrics: Making the Most of Your E-Commerce Data, 2000-01 (Academic Director)
Prospering in a Newly Deregulated Environment, 1997-98 (Academic Director)
E-Commerce Strategies, 2000-01
Capitalizing on Brand Assets, 1996-98
Mergers and Acquisitions, 1996-99
Sales Force Management, 1994-95
Transforming Scanner Data into Marketing Advantage, 1990

Academic honors and awards

25-year AMA Consortium Fellow Research Excellence Award 2009

EXPLOR Award from the American Marketing Association for “the most innovative use of technology that advances marketing research,” 2007

Robert B. Clarke Outstanding Educator Award, given by the Direct Marketing Educational Foundation to honor an academic's overall achievement in direct/interactive marketing, 2007

David Hardin Award for best paper published in *Marketing Research* magazine in 2006

The Paul E. Green Award, 1997, 2006 (given annually by the American Marketing Association for the best article published in the *Journal of Marketing Research* for its “potential to contribute significantly to the practice of marketing research”)

Advanced Research Techniques Forum award for best presentation, 2005

Journal of Interactive Marketing award for best paper, 2004

Numerous Wharton teaching awards

Phi Beta Kappa