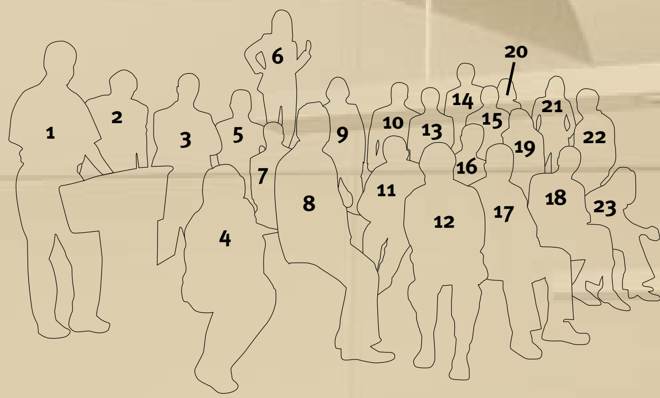
Marketing 100

Wharton Marketing Changing the World of Business

Wharton
University of Pennsylvania



Who's Who:

1 Steve Hoch
2 Yoram (Jerry) Wind
3 Americus Reed II
4 Dawn Iacobucci
5 Leonard M. Lodish
6 Barbara E. Kahn
7 Robert J. Meyer
8 David Schmittlein
9 David R. Bell
10 Christophe Van den Bulte
11 Peter S. Fader
12 Jagmohan Raju
13 J. Scott Armstrong
14 John Zhang
15 Skander Essegaier
16 David J. Reibstein
17 Eric Bradlow
18 George S. Day
19 J. Wesley Hutchinson
20 Deborah A. Small
21 Patricia (Patti) Williams
22 Jehoshua Eliashberg
23 Lisa E. Bolton
Not pictured:
Xavier Dreze
Scott Ward

COVER PHOTO . TOMMY LEONARDI

MARKETING 100

Wharton's Marketing Department Reaches an Anniversary Milestone

By Nancy Moffitt

How the World's Largest, Most Published and Most Cited Marketing Department Has Strengthened and Changed the World of Business


LODISH

Frito Lay had a slew of popular munchies, from Doritos to Sun Chips, and lots of clever, award-winning television ads to peddle them. But the company had an all-too-common problem: it didn't really know when or if the ads were working.

When I would talk about this problem to marketing experts, they would tell me that advertising was an aesthetic kind of a field, that it was like philosophy or religion or art," said Dwight R. Riskey, senior vice president of marketing at Pepsico, Frito Lay's parent company. "They would tell me that you couldn't apply the tools of science to measure the effect of advertising. And that is a really interesting approach to something we were spending hundreds of millions of dollars on. It was massively frustrating to me."

All that changed in the mid-1990s, when Riskey met and began working with Wharton marketing professor Leonard Lodish.

In a landmark study called "How TV Advertising Works," Lodish led a consortium of major consumer packaged goods manufacturers, leading advertising agencies, and the major TV networks in the first comprehensive analysis of long-term advertising effects — research that forever changed the way companies like Frito Lay manage their advertising.

Not only did the research reveal that nearly half of Frito Lay's ads were ineffective, it also debunked long-held nostrums about television advertising, giving Frito Lay the tools to create guiding principles for managing TV advertising and setting priorities for ad campaigns.

"It was really significant for our company because the most common question any person in the field of consumer

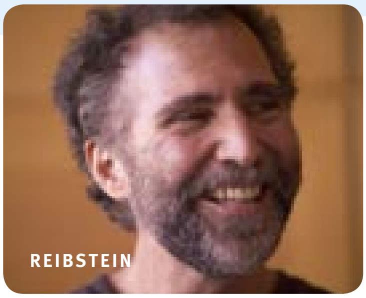
PHOTOS . PETER OLSON

KAHN, MEYER, LODISH AND SCHMITTLEIN

insights/market research gets is how advertising works," said Riskey. "And literally up until this time period, I don't think we had anything close to adequate answers. Let's say a company like Frito Lay might spend $100 million on advertising a year. If you follow the principles of Len's work and my work here, theoretically you could reduce waste by 75 percent, 90 percent, at least 50 percent. Even at 50 percent, that's huge money. That's pretty exciting."

The American Marketing Association agreed. In 1996, Lodish's research, published in the *Journal of Marketing Research*, won the AMA's Paul E. Green award for the article most likely to affect marketing practice. In 2000, the same article was awarded the Odell award for the journal article with the most impact after five years, and was also judged the best article after five years by the American Marketing Association's Advertising Special Interest Group.

Lodish's award-winning, practice-changing work is far from atypical within the 25-member Wharton Marketing Department. Professor emeritus Paul Green, for instance, created the powerful marketing tool conjoint analysis, work he directly applied to dozens of industries and that made him one of marketing's most notable figures. Marketing professor Jerry



REIBSTEIN

Leading the School

The Marketing Department's leadership in the field is matched by its leadership at the School. In all, nine of the 25-member department hold key leadership posts within Wharton.

Eric Bradlow, Academic Director, Wharton Small Business Development Center

George Day, Co-Director, Mack Center for Technological Innovation; Director, Emerging Technologies Management Research Program

Stephen Hoch, Director, Jay H. Baker Retailing Initiative

Barbara Kahn, Vice Dean and Director, Wharton Undergraduate Division

Leonard Lodish, Vice Dean, Wharton West; Senior Director, Global Consulting Practicum

Robert Meyer, Vice Dean and Director, Wharton Doctoral Programs

Jagmohan Raju, Director of the Wharton-Indian School of Business Program

David Schmittlein, Deputy Dean, the Wharton School

Yoram (Jerry) Wind, Director, SEI Center for Advanced Studies in Management; Academic Director, The Wharton Fellows Program; Co-Editor, Wharton School Publishing

Wind, who founded the SEI Center for Advanced Studies in Management, Wharton's think tank, also led the creation of The Lauder Institute, the Wharton Fellows Program, Wharton School Publishing and the Wharton Executive MBA Program, all the while publishing pioneering, award-winning research on organizational buying behavior, market segmentation and conjoint analysis. George Day, author of the seminal *Market Driven Strategy*, has won every major marketing research award and had more prize-winning articles in the *Journal of Marketing* than anyone else in the field.


HOCH

This year, the Wharton Marketing Department turns 100. In the pages that follow, the *Wharton Alumni Magazine* offers a glimpse of the many ways the world's largest, most published and most cited marketing department has strengthened and changed the world of business — and the world of Wharton.

Powerful Analytical Tools

As a field, marketing began to take shape in the 1920s, when Wharton professor and chair of the "merchandising" department Herbert Hess began exploring the psychological aspects of marketing. Hess, who studied issues such as crowd psychology, attention spans and memory — and their implications for companies that wanted to sell products — was among the first to suggest that companies should adapt products to customer needs.

Wroe Alderson built on these foundations during the 1940s and 1950s. A former consultant who came to Wharton and became the leading marketing theoretician of his time, Alderson was assisted by his colleague, Reavis Cox, and in 1948 wrote a path-breaking essay titled "Towards a Theory of Marketing." Alderson saw mathematical models and quantitative techniques could be used to research and analyze consumer taste, the size of advertising budgets and sales forces, and the distribution of marketing messages across media — techniques that helped create the field of market research.

But Alderson's young collaborator, Paul E. Green, was perhaps most significant in advancing Wharton's early history of groundbreaking marketing research and instruction. In the 1960s, Green created "conjoint analysis," a measurement tool that allowed companies to chart and analyze consumer preference and buying intentions, as well as their potential reactions to changes in existing products and services or to a product introduction.

Conjoint analysis became the marketing field's most powerful technique, and helped make Green its most widely cited author. Thousands of companies found practical applications for conjoint analysis, including hotel conglomerate Marriott Corporation, which hired Green and Wind to conduct a large-scale consumer study among business and non-business travelers. The eventual result was the Courtyard by Marriott concept, which grew from three hotels in 1983 to more than 450 worldwide today. In 1996, Green won the coveted Lifetime Achievement Award in Marketing Research from the American Marketing Association. (For more on Paul Green's life and work, see page 7.)


IACOBUCCI

"This is a department that focuses on translating state-of-the-art, cutting-edge research into decision tools that managers can use to make better decisions," said Stephen Hoch, chairman of the Marketing Department. "And this was the case from the get go."

This focus on methodologies to better measure preferences and anticipate what people want became a hallmark of the department. And today, the menu of techniques market researchers use to learn more about their customers is staggering. From metaphor elicitation exercises that seek

"It used to be that good marketers were people who had a good feel for people – who could empathize with them," says Reibstein. "Today we do it much more by the numbers."

to discover customers' underlying psychological associations with the product, to Green's conjoint analysis, today's market researchers have powerful tools at their disposal, many of which have been developed by Wharton marketing professors.

"It used to be that good marketers were people who had a good feel for people — who could empathize with them," says marketing professor David J. Reibstein. "Today we do it much more by the numbers. With the use of scanner data and the use of great analytics, marketing today is much more a science than an art. The strength of the department now is in this use of analytics."

Lodish, for instance, has created models on everything from how to analyze promotion expenditures to how to organize sales people to how to allocate media dollars — models that have been used, or are in use, by more than half of the major consumer packaged goods companies in the U.S.

Dawn Iacobucci, who joined the marketing department from Northwestern's Kellogg School last year, is a world leader is creating conceptual models of customer satisfaction, while Eric Bradlow, W'88, academic director of Wharton's Small Business Development Center, is an applied statistician who uses high-powered statistical models to solve problems on everything from Internet search engines to retail product assortment issues.

"We are able to say things much more definitively," says Reibstein, the former executive director of the Marketing Science Institute. "We are able to characterize what it is that customers want and how much they want it and we can assess, if we make changes, what the impact will be. The result is that companies are much less wasteful with resources and much more directive in trying to provide things for customers." Reibstein, whose current research looks at the impact of marketing on financial metrics, is also the creator of the CMO Summit, which each year brings together industry's top marketing executives from companies such as Procter & Gamble, Dell, and AOL Time Warner.


FADER

In fact, many of the School's research centers specifically bridge the gap between academic assessment and real industry impact. The Jay H. Baker Retailing Initiative, for example, which is headed by Hoch, works to understand everything from branding to how manufacturers interrelate with retailers. The Initiative includes the involvement of high-ranking officials from companies including Williams-Sonoma, Home Depot, The Gap and the Neiman Marcus Group, among myriad others, and highlights cross-disciplinary strengths in marketing, operations, finance, real estate and entrepreneurship. (For more on the Baker Retailing Initiative, see page 7.) At the William and Phyllis Mack Center for Technological Innovation, co-directed by Day, a cadre of marketing professors is studying new product development processes. "Apple has sold over four million Ipods," says Hoch. "One of our newly tenured faculty members, Christophe Van den Bulte, has looked at how this has happened and has modeled the underlying social contagion process."

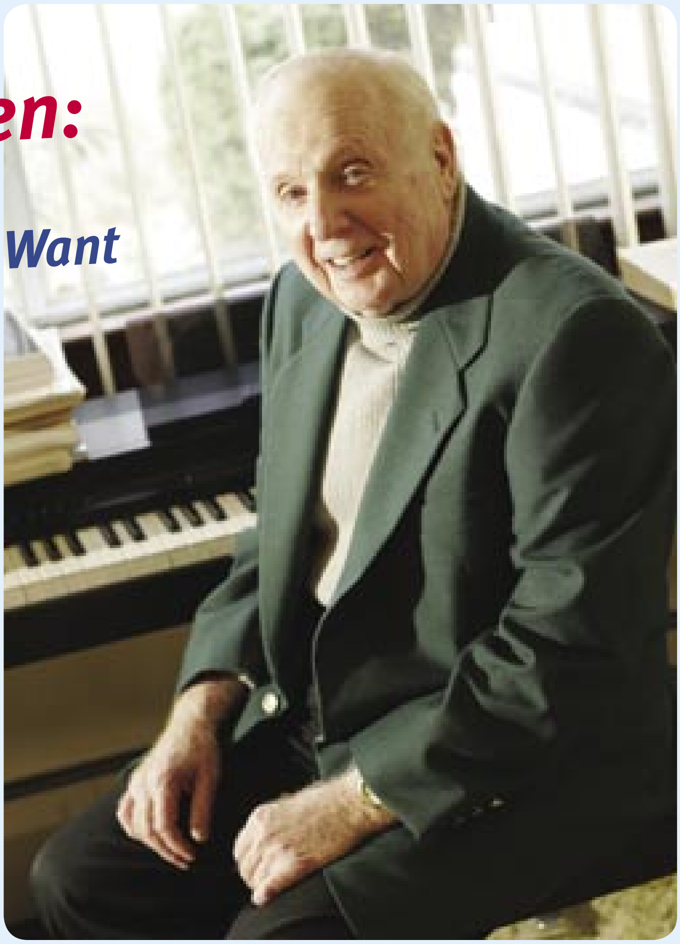

RAJU, BRADLOW AND WIND

Taking a Poke at Sacred Cows

As a group, Wharton's marketing faculty has never been shy of controversy. Professor Peter Fader, for instance, became a music industry gadfly in the late 1990s after creating diagnostic forecasting models the likes of which the music

Wharton's Paul Green:
Helping Companies Develop Products Consumers Actually Want

By Lea Jacobson



TOMMY LEONARDI

Paul Green spent his childhood convinced he was going to be a famous chemist, commandeering the musty attic of his mother's suburban Philadelphia boarding house to lose himself in his microscopes and Bunsen burners.

But two happy accidents redirected the burgeoning scientist: During an attic chemistry experiment, he brushed a high-voltage Tesla coil against a water pipe, narrowly escaping blowing up his house. Years later, in 1946, he returned home from his military service to Penn armed with a university scholarship to discover that all the chemistry courses were reserved for pre-med students. Green chose economics and mathematics instead.

For almost all of the nation's Fortune 500 companies, law firms, hospitals, and government agencies, it's a good thing he did. Today, Green is often called "the father of conjoint analysis," the powerful predictive statistical technique and backbone of market research.

The framework has been used internationally by thousands of companies, including the hotel conglomerate Marriott Corporation in creating its Courtyard by Marriott chain, and by regional transportation agencies in the New York/New Jersey metropolitan area to investigate the potential of the now-successful EZPass electronic toll collection device, as well as in medical research, public policy and industrial engineering. Conjoint analysis allows marketing managers make accurate decisions about what products and services to sell – and helped make Green marketing's most cited author. "Wharton has been at the forefront because Green always published in the best publications and his breakthrough methodologies always had a practical touch to them," says Jerry Wind, Wharton marketing professor, director of the SEI Center for the Advanced Studies in Management and one of Green's most significant research co-authors and collaborators. "Green inspired through example, his involvement in recruitment, and his value system, his scholarship, his hard work and his sense of the importance of research for the field as a whole."

But when Green, who retired this year, came on the scene, the world of marketing was in a statistical infancy and market research was a much less mathematical discipline. "Market research done in the late 50s was a lofty enterprise that was more descriptive than proscriptive," he says.

The Early Days: Sun Oil and Lukens

Green went on to earn his bachelor's degree in mathematics from Penn, supplementing his income playing piano in a jazz band in what he calls "bars of dubious reputation" a few nights a week in and around Philadelphia. After graduating, Green got a job in the market research department at Sun Oil's home office in Philadelphia, then went to work for Lukens Steel in the fledgling market research department while working on his Ph.D. at Penn. At Lukens, he began asking questions based on operations research, a kind of methodology developed in World War II in which experts from various disciplines came together to solve wartime problems such as cryptographic puzzles and building better guidance systems. "Operations research provided a new way to look at marketing," Green says. "Before marketing industry had never seen. Fader was eager to share "the answer" to understanding years of languishing sales and profits with top music industry executives, but found that, without exception, the industry defined itself as a "creative" one, not to be ruled by business analyses.


BELL

And while the music industry is perhaps the most vivid example of an industry loathe to change its business practices, Fader says it's simply one of many self-defined creative businesses, from baseball to book publishing, that have typically relied on instinct over quantitative analysis when making strategic decisions. "These are very general issues," says Fader, who is leading a plan to create a Media and Entertainment Initiative at Wharton. "The music industry just happens to be an extreme example. Too many industries really think their patterns are different and that they can't learn from other businesses. They need to swallow their pride, drop traditional ways of evaluating success, and embrace the right kinds of quantitative metrics with no hesitation. It's important to realize just how astonishingly consistent the buying patterns are across industries. People are people. When you focus on the behavioral data as opposed to the surface-level details of a product, it doesn't really matter what product it is."

The movie business is another artistic industry that, until very recently, wanted little to do with forecasting. But marketing professor Jehoshua Eliashberg has changed that, creating Moviemod, a pre-release market evaluation tool for motion pictures that generates box office forecasts that help support marketing, advertising and distribution-related decisions for a new movie after it has been produced, but before its public release.


KAHN

Because Moviemod doesn't rely on historical sales data for calibration, unlike other forecast models, film producers and distributors can also

was a survey. Now we had an accurate way to provide models and procedures." This blending of disciplines and the research and theories that came out of it were a revelation to Green.

While working in industry, Green carried on with his studies, completing his master's degree under the tutelage of luminary Simon Kuznets, who would go on to win the Nobel Prize in 1971. "Everyone viewed Kuznets with awe, as did I, although perhaps a bit less so, as I was working in industry," says Green, adding that Kuznets was "kind but all business." He went on to become Wharton professor Morris Hamburg's first doctoral student in statistics. "My tutelage was without peer," Green says.

"Wharton has been at the forefront because Green always published in the best publications and his breakthrough methodologies always had a practical touch to them," says Jerry Wind.

In 1961, Green was recruited by DuPont to work in market planning at their Wilmington headquarters. There Green was able to apply the subject of his PhD dissertation on Bayesian inference in his study of the cost versus the value of marketing research information. When Wharton professor Wroe Alderson offered him an academic appointment in 1962, Green left DuPont to work full-time in Wharton's marketing department. Alderson went on to become a major influence in Green's academic career, co-authoring Planning and Problem Solving in Marketing with him and persuading companies to partner with Wharton in myriad market research studies that made use of Green's techniques.

Green's 12-year stint in industry provided the real-world direction his research would become famous for. "Sometimes these two motivations – the theoretical and the pragmatic – will merge and lead to a high-impact result, that is, an idea that is both intellectually exciting and appealing to the practitioner," he observed in a University of Pennsylvania Fellow's Award speech in 1992.

Those high-impact results are now commonplace market research techniques. Perceptual mapping, segmentation, product mapping, cluster analysis, and most importantly, conjoint analysis, are used every day in university market research departments around the world. Many of these market research methods were key in deciding the future of products today's consumers now consider indispensable.

In 1963, for instance, Green and others in the marketing department worked with Bell Laboratories on the first cell phone. At the time, AT&T had developed a picture phone that had not been successful. Green's study involved a kind of car phone that was not yet on the market. A thousand people were recruited, loaned cars and given gasoline allowances to test out various intra-car telephones. Green and his team surveyed subjects on their driving and talking patterns and preferences such as what kind of headset they liked, even including a subset of people who enjoyed listening to certain tones and quality of speech.

Changing the Field of Marketing

Green came up with the idea and the name for conjoint analysis while reading a research article from a mathematical psychology journal. The paper, "Simultaneous conjoint measurement: A new type of fundamental measurement," by R.D. Luce and J.W. Tukey, was published in 1964 in the *Journal of Mathematical Psychology* and provided a new system to measure rank order data.

"It occurred to me after reading the article that this could be applied to marketing as opposed to just a measurement," Green said. "We could give people bundles of things that they might want and measure how they react." The idea that his models could be useful beyond finding out what characteristics already appealed to people was a revelation. Green began to wonder if he could predict what people would do in the future based on how they answered questions about likes and dislikes.

Indeed, he found that he could. Green's first commercial application of conjoint analysis was with Bissell, a vacuum manufacturer then interested in creating a new kind of product container. Today, Green's statistical modeling technique has been applied to an enormous list of products and services. And all kinds of companies, from those selling bar soaps and gasoline to those selling luxury automobiles and pharmaceuticals, have partnered with Green and Wharton to learn more about consumer preference and market segmentation.

For his contributions, Green has been recognized with dozens of the marketing field's highest honors. In 1996, for example, he won the Lifetime Achievement Award from the American Marketing Association, while last year, he won the INFORMS Impact Prize for lifetime achievement and was named the first recipient of the MIT Sloan School of Management Buck Weaver award.

Despite his "retired" status, Green, 78, comes in to his office at least one morning a week, often as early as 6 a.m., to see and work with long-time office mate and friend Abba Krieger, a Wharton statistics professor with whom he continues to conduct research. At home, he often spends hours each day indulging his life-long love of playing jazz on his piano.

And unlike his statistical models, Green makes few predictions about the field of market research, though he does note causal modeling, economic modeling and game theories as likely areas of present and future interest. Charmingly self-deprecating, Green dismisses his bringing of Bayesian analysis and statistical methodology to marketing as "picking the low hanging fruit."

"The market researcher of today knows much more and has drawn from rigorous disciplines. They've learned new sets of techniques," he says, "and borrow heavily from statistics, operations research, quantitative psychology and applied economics."

Now, thanks to high-speed computers, market researchers can "look at everything," says Green. "We can do segment analysis. We can analyze the choices of one group of people within a larger group and we can optimize. For instance, we can ascertain which groups are different from other groups and which ones are alike. All of this matters, of course, because the market is not homogenous."

A five-year plan for Wharton's marketing department is in the works with the tentative tagline Wharton Marketing Creates Value. The idea is that Wharton creates methodologies that solve problems to help managers make better decisions. And that, says Wind, is the direct legacy of the impact of Paul Green. ◆

Lea Jacobson is a Philadelphia-based writer. This is her first story for the Wharton Alumni Magazine.

EDITOR'S NOTE: An extensive archive of Paul Green's work can be found at **http://www-marketing.wharton.upenn.edu/people/faculty/green-archive.html**

use the tool to fine-tune marketing strategies and maximize ticket sales. As a follow up, Eliashberg, Wharton doctoral student Ye Hu and marketing professor Jagmohan Raju are now developing a model that forecasts demand for motion picture videos and DVDs, research spawned from previous work Raju and Eliashberg did for a major motion picture studio.

This focus on offering alternatives to long-held, ineffective business practices or taking a poke at sacred cows in traditional business is a thread throughout many of the marketing department's faculty.

Marketing professors David Bell and Xavier Dreze, for example, proposed a controversial sea change in the way retailers and manufacturers structure their trade promotions — deals manufacturers and retailers had traditionally used as weapons in a zero-sum game.

Manufacturers had long been tied to an "off invoice" system that gave retailers periodic discounts during a promotion period—discounts that, in theory, retailers were supposed to pass on to consumers. But retailers had abused these promotions, often "forward- buying," the practice of purchasing more than they could sell during the official promotion period and/or diverting the product to other retailers who were not privy to the trade deal, thereby pocketing the savings themselves. Not surprisingly, manufacturers despised the system, and even retailers claimed to be frustrated by funds wasted on administrative and inventory costs.

A solution could be found, Bell and Dreze argued, in a variation of what was then a new but unpopular type of trade promotion known as pay-for-performance—rewarding retailers based on what they sell rather than offering up-front discounts. And today, their overhaul has increasingly become a reality. Roughly 65 percent of packaged-goods retailers' promotion dollars are devoted to pay-for-performance deals, up from about one-third a decade ago. And Bell and Dreze have enjoyed seeing work that began as theory take shape as practice, and strengthen an industry.

"When you compensate the retailer based on what they sell, there's no longer any benefit in them loading up on all this inventory," Bell says. "And all of the inventory infrastructure and shipping things all over the country—which is paid for by the retailer at the manufacturer's expense, but from a systems point of view is a complete dead-weight loss—is eliminated. Retailers can dramatically cut inventory costs and reorient their activities around what should be their core competencies—selling and marketing," he adds. "The news is good for consumers, too, because retailers are much more likely to pass on the full amount or even greater than the full amount of the deal on to the customer."

Recent work by associate professor John Zhang probes the complex, unintended pitfalls of "targeted pricing" in the fast-moving Internet age. Once widely hailed as a panacea, "targeted pricing"—the process of targeting a competitor's customers with lower prices—has also been condemned by many as a potential road to ruin. But is "targeted pricing" really either a panacea or a peril? Zhang's recent research examines the complex dimensions of "targeted pricing" and suggests that while this approach isn't for everyone, it can be an effective tool under the right circumstances.

Others within the department study the emotions executives bring to business. A manager's healthy sense of confidence, for instance, is a must in business. But misplaced confidence, says marketing professor J. Wesley Hutchison,

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can cause big problems.

How well does people's confidence about decisions compare to the actual results of those decisions? Are people as right as they think they are? After reviewing hundreds of "calibration" studies—those that measure the gap between what people know and what they think they know—Hutchinson found that that the answer is no.

"Keeping our confidence calibrated is tough," Hutchinson wrote in the *Harvard Business Review*, particularly given the reality that executives tend to see a person's lack of confidence as a sign of weakness. But managers can and should calibrate their confidence by first thinking twice about decisions that seem close to being sure things. "Grill a manager or salesperson who's 'absolutely sure' to get the deal or make the number that quarter," he writes. "Force yourself to consider alternative scenarios."

Hutchinson adds that people tend to confuse their familiarity with a topic with true expertise, thus overestimating their skills and knowledge. "Be honest about what you really know," he says. "A little knowledge can be a dangerous thing."

In the Consumer's Shoes

"Unlike other schools, because we do have such a large department we really do cover a board spectrum of fields, from psychology, to statistics, to economics and management science," says Hoch. "And because marketing is an interdisciplinary field, you are always, at the end of the day, focused on trying to solve a problem. You can't be parochial when you are trying to solve a problem."

Vice dean and Director of the Wharton Undergraduate Division Barbara Kahn offers marketing managers a better understanding of consumers' variety-seeking behavior in a recent study that answers questions about how people's buying habits change when they see what looks like unlimited variety.

Creating a visual perception of activity and an abundance of choices ultimately increases consumption, Kahn found after conducting a series of experiments that she and University of Illinois professor Brian Wansink published in the *Journal of Consumer Research*. Kahn's research found that the perception of variety, even when illusory, stimulates people to consume more, reinforcing other recent studies that challenge long-held views that a person's ability to control eating, spending and general overindulgence has solely to do with willpower, or a lack thereof. Environmental factors, including portion size, price and the number of choices presented, also play a key role in America's well-documented passion for overindulgence, social scientists are now finding.

ZHANG

The present study by Kahn and Wansink added a subtle new twist. "It is widely assumed across disciplines that increasing the actual variety of an assortment can increase the quantity consumed," they write. "We show, however, that perceived variety can also influence consumption even when actual variety is unchanged."

BOLTON

Marketing professor Americus Reed II, meanwhile, is the department's only "identity theorist," focusing his research on the role consumers' self concepts play in guiding buying decisions. Why do so many smokers keep smoking, despite decades of health warnings? Why do brands like Harley Davidson motorcycles, Starbucks coffee and Nike engender such loyalty among very specific types of people?

In a recent *Journal of Marketing Research* study, Reed and marketing colleague Lisa Bolton found that judgments that are linked to a person's identity—from teenager to Republican, environmentalist or businessman—are virtually immovable, or "sticky."

Titled "Sticky Priors: The Perseverance of Identity Effects on Judgment," the paper included four studies that examined the effects of identity on judgment. The studies looked at judgments of a variety of issues and products, such as pollution, legalizing marijuana, and electronic books, that were linked to different identities held by participants, such as environmentalist, businessperson, or parent. Bolton and Reed then tried to influence participants' judgments using techniques that varied from evenhanded reasoning (listing pros and cons) to adopting the perspective of another identity (say, parent vs. teenager), with little success. Social influence—good old peer pressure—was somewhat effective in countering identity based judgment, "But not entirely," Bolton says. "Throughout, we really find that identity is really powerful in its effects on judgment."

In another study, Reed looked closely at brand identity by examining the triggers that lead consumers to identify with and become loyal to a product, brand or logo. Social identification with avocation, family, religious groups or gender appear to factor heavily into consumer buying patterns, he found, and consequently also in the marketing efforts of advertisers.

Reed argues that the mere existence of a particular lifestyle and an ad portraying that same situation is not enough to make the product appeal to the targeted consumer, because consumers often have a variety of roles linked to various preferences. Consumers are more likely to think about him or herself in terms of a particular identity if the identity is very self-important. "The more important that affiliation is to the customer, the easier it is to bring the group affiliation to mind and to connect it to the product," he adds.


HUTCHINSON, WILLIAMS, IACOBUCCI, HOCH AND BELL

Assistant marketing professor Patti Williams also studies how consumers' emotional responses influence consumption. Most recently, Williams and a co-author studied the impact of emotional versus rational advertising messages on older and younger consumers in a forthcoming study in the *Journal of Consumer Research*.

While Williams' research confirmed earlier suggestions that older adults are more likely to be swayed by emotional versus rational advertising appeals, she also debunked previous widely held perceptions that this greater interest in the emotional has to do with declining cognitive abilities among the elderly. Building on research in psychology, Williams found that older adults' preference for emotional content doesn't come from differences in ability, but about differences in motivation that come from a shortened or limited time horizon.

"With a perception that time is ending, you care less about learning new facts, and more about having emotionally satisfying encounters and making your life pleasurable in an affective sense," Williams says. In her research, when young adults were faced with a similarly limited time horizon, Williams found that young adults switched their preference from the logical to the emotional. The elderly, when also presented with a very long time period, preferred a rational appeal. "Thus, it's not a question of differences in ability that drives this effect, it's due to differences in what is important across the two age groups."

Identifying and understanding such quirks of consumer behavior, Hoch says, is one of the ways the marketing department "relishes diversity in different approaches to the problems that marketers face day in and day out. At the end of the day one of the great things about being a marketing professor at Wharton is that we have a whole heck of a lot of fun. It's serious, but we keep it playful." ◆

"Because marketing is an interdisciplinary field, you are always, at the end of the day, focused on trying to solve a problem," says Hoch. "You can't be parochial when you are trying to solve a problem."

Frequent contributor Nancy Moffitt is the former editor of the Wharton Alumni Magazine.

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EDITOR'S NOTE: Excerpts from Knowledge@Wharton and Wharton Alumni Magazine articles were included in this story. Complete versions of nearly all of the research papers cited in this article can be found via the Marketing Department website: **http://hops.wharton.upenn.edu.**