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journal homepage: www.elsevier.com/locate/amjIs academic marketing losing its way? Embrace intermediaries[☆]Gary L. Lilien^{*}*Institute for the Study of Business Markets (ISBM), Penn State, 484 Business Building, University Park, PA 16802, USA*

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ABSTRACT

I suggest that a solution to Reibstein et al. (2009) diagnosis that Academic Marketing is losing its way is to seek creative connections with marketing intermediaries (consultancies and market research firms) that can provide access both to problems and to data. That access should help the field find its way back to the path that leads to rigorous academic research on real and important problems.

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1. The RDW diagnosis

Reibstein et al. (RWD 2009)'s editorial cites an "alarming and growing gap between the interests, standards and priorities of academic marketing and the needs of marketing executives." (p1) They (RDW) argue that the prevailing research paradigm in marketing is to start "with new methodology, data set or behavioral hypothesis" (p1) – the former two if you are a quantitative modeler, the latter if you are a consumer behavior researcher in their balkanized view of the field – and see where it leads. That paradigm does not encourage researchers to start with an important problem: it is hard to stay on the right path if you don't even begin there. They suggest "challenging the academic mind set" and working on better problems. They cite three sets of initiatives to address the concerns they raise – changing academic incentives, bringing more relevance to doctoral programs and leveraging institutions. I suggest a fourth initiative.

2. Can intermediaries help?

RDW's premise is that marketing academics are not engaged with important marketing problems. They even argue that the marketing academic domain has been preempted by folks in business strategy and operations management. Businesses face business problems, not marketing problems: what "marketing" problem does not affect production, the supply chain, have an IT component and have financial and human resources implications? Incorporating such interdependencies and complexities in our academic research is messy and rarely leads to the tight, rigorous academic articles that our top journals cherish. As a field we ought to

be proactive in including such work in our top journals, but such inclusion will require a cultural change. Marketing academics are like the drunk looking for his lost keys under the street lamp, because that is where he can see, not because that is where the keys are likely to be: we trade off relevance in much of our work to gain rigor and narrow precision.

So is there anyone else out there who can help academics engage with real, relevant and important problems? Elsewhere in this issue Roberts (2010), cites leveraging the role of intermediaries – marketing researchers and consultancies – as boundary spanners. Delaine Hampton, Director of Consumer and Market Knowledge at Procter & Gamble (speaking at a Practitioner-Academic interface session at a Marketing Science conference in June 2004), defined implementation of a new marketing model or idea as a change in mental models within the organization. (Exhibit 1) Her conceptualization is profound – if the new model, idea or methodology is developed by academics, those academics declare success when their idea gets published and they then move on. It is the intermediaries, in her view, who provide the vital boundary spanning and technology transfer role. If so, intermediaries need to be actively engaged in the research process for that process to have impact and affect practice.

Roberts et al. (2009) use the term "marketing science value chain" to operationalize Hampton's view that marketing science intermediaries play a key boundary spanning role in diffusing new technology and methodology in marketing. They find that two articles—Guadagni and Little (1983) and Green and Srinivasan (1990) – stand out as having had both high academic and high managerial impact.

Guadagni and Little comment on their own 1983 paper in a 25th anniversary perspective (Guadagni and Little, 2008) and state that the reason for its very high impact in practice was that "a small, entrepreneurial consulting firm developed and sold applications based on the model." P26. The firm he refers to,

[☆] Some of the material here is drawn from Lilien (2010).

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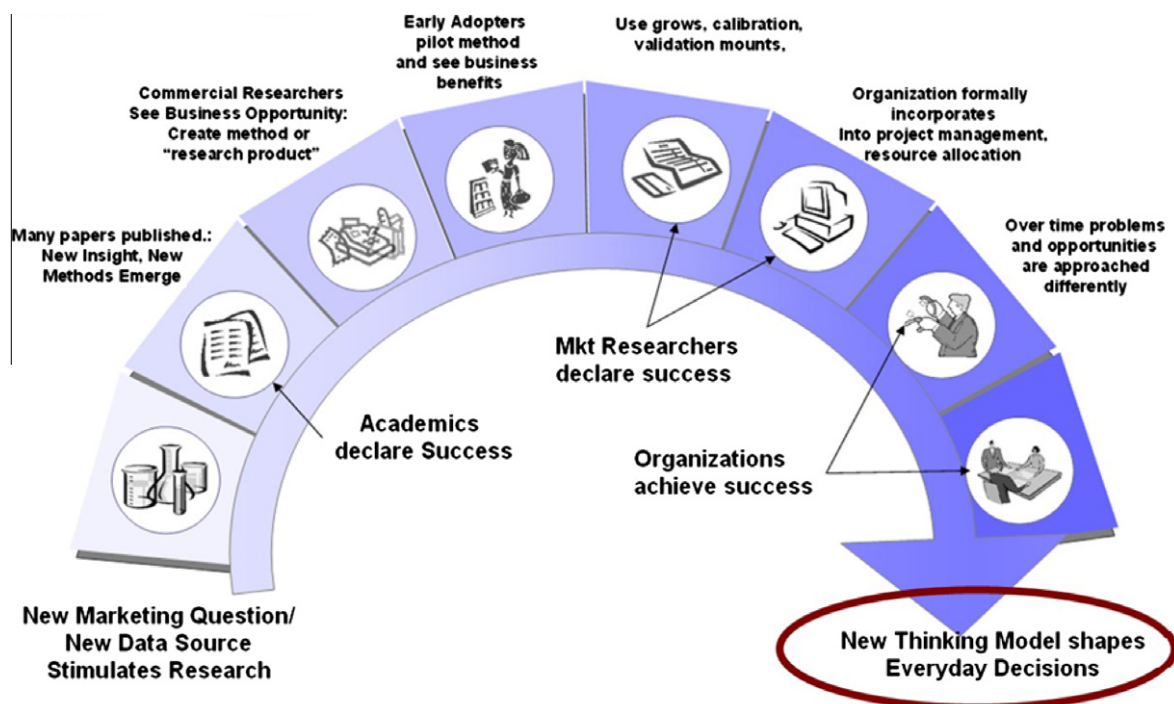


Exhibit 1. Delaine Hampton's view of the path from the development of a new marketing method, solution or approach to its actual impact on an organization, demonstrating the role of intermediaries in knowledge transfer and that mental models have to change it to have real impact (Hampton, presented at Marketing Science Conference June 2004).

Management Decision Systems, is the same firm that commercialized Assessor (Silk and Urban, 1978) a finalist for the 1989 Edelman Prize, the highest award for operations research practice. Bucklin and Gupta (1999) report on the widespread commercial use of models based on UPC scanner data (the data that drove the use of the logit model Guadagni and Little developed) – and report primarily intermediaries as transfer agents. And the widespread impact of the various flavors of conjoint analysis, whose development Green and Srinivasan (1990) call for, would not have happened without numerous well skilled intermediaries to deliver benefits.

Consider Zoltners and Sinha, (2005), winners of the 2004 Informs Society for Marketing Science Practice Prize. ZS Associates, their consultancy (an intermediary) has over 1000 employees at 17 offices around the world working on implementing salesforce models. Zoltners and Sinha reviewed over thirty years of building and implementing salesforce models at ZS – over 1500 projects in 500+ companies with 50 000 sales territories leading to \$10 Billion in savings. Their summary of what they learned appears in Exhibit 2. Note that shortcomings in ZS's early years lead to better models for sure, but more importantly, better systems, systems more closely aligned with how sales managers actually made decisions recognizing the associated incentives and the organizational realities. As they say:

“Territory alignment wisdom emerges, manifesting itself in knowledge, experience and perspective. The wisdom becomes part of subsequent alignments and frequently triggers further model, system and process innovation. Over time, as shown in [Exhibit 2], the role of processes and wisdom becomes larger than the role of the models and the systems” P 320.

Zoltners and Sinha's work suggests that organizational design, IT and implementation should be an integral part of the research agenda for marketing academics.

3. Leveraging intermediaries

Who are the intermediaries? Are they the “Big Uglies” (a term coined by announcer Keith Jackson to describe the members of the offensive line in American football) – those who do the blocking that permits the “skill players” to penetrate the defense and make yardage and score. If so, what do we know about their operations and incentives? If they are the stars or the skill players, why haven't we integrated them more deeply in our discussions on research with relevance?

When I was editor of the journal *Interfaces* (the journal of the practice of operations research and management science) in the 1980's, I heard a presentation at a major conference by a principal at a top consulting firm that I thought would make a great article for the journal. I asked him if he would write up his work and submit it to the journal. I recall his reply: “In my business, there are three kinds of time: billable time, selling time and wasted time. So which time should I use to write your article?”

We are not going to induce major changes in the fundamental intermediary reward system – they are in business to make money and we need to work within that framework. If we (academics) partner with them, co-present with them at conferences and co-author papers with them, they will generate the reputational capital that gets a closer listen from their clients and will internalize the leading edge models and methods that their more forward thinking clients value. But there are at least two barriers: they have little incentive to write in our journals and they often fear loss of intellectual property through such disclosure.

The former barrier is an opportunity if we can figure out how to facilitate the co-authoring process. Most likely we would have to modify the academic reward system or change the incentives as RDW suggest, making relevance and impact explicit factors in the academic promotion and tenure process. I have chatted about the impact issue with folks over the years and most of my colleagues say something like “let people wait until after they

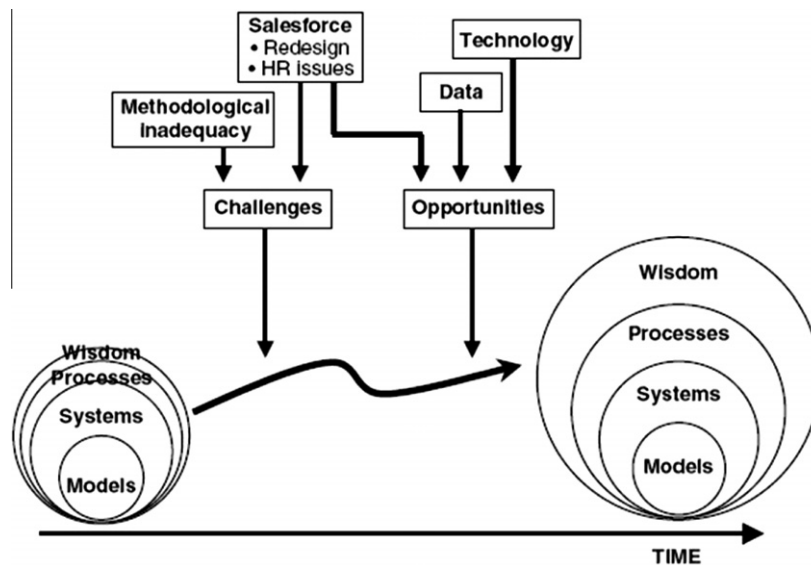


Exhibit 2. ZS's evolution over 30 plus years of implementing marketing decision models in the salesforce domain, showing that the changes have been in systems, processes and wisdom rather than in modeling technology itself (Zoltners and Sinha, 2005).

get tenure – then they can work more closely with industry or intermediaries, do consulting; now they must concentrate on publishing in A level journals and avoiding distractions.” But what folks do during and immediately after their PhD program forms habits that are hard to break.

Three things we (and our schools) could do to bolster the “impact” factor in our reward system are (1) add internships to PhD programs (2) encourage leaves and sabbaticals in practice, especially with intermediaries and (3) require at least one non-academic letter in promotion and tenure dossiers. These changes are well aligned with those RDW suggest when they discuss needed changes in incentives and changes in PhD programs.

The second barrier, the loss of intellectual property, is what I have called elsewhere (Lilien, 1982) the “zero sum mentality.” Intermediaries who share their methodology normally do not lose business to their rivals; rather, on net, they increase the size of the market, making all better off. When Silk and Urban (1978) published their work on Assessor, they helped legitimize the market for pre-test market models; the intermediary, Management Decision Systems, reaped the benefit of that publication, especially after they (Urban and Katz, 1983) published an article documenting the economic benefits of the model.

So academics should work more closely with, co-author with and publicize the successes of intermediaries for mutual gain, and academics should be the first movers. One of my colleagues “consults” with intermediaries (and firms). He gets paid in data, access to problems and domain knowledge; he provides methodological skill and rigor, adding value to the consulting process. He gets rigorous and relevant publications based on otherwise difficult or impossible to get data (his reward) and gets his pay (the data) in advance. And he is not under pressure to produce to consulting deadlines. A creative academic business model indeed.

4. Begin a journey?

RDW's commentary, like new Paris fashions, is a provocative statement needed to induce reflection and a (modest) change in

direction. We are not going to change the academic incentive system, the narrow nature of our top journals or the values of those journals' referees overnight. Most academics are going to do what they are good at, and most probably do not have the skills or perspective to do the kind of work that RDW suggest they should. But a few do, and should not be discouraged. Confucius said that a journey of a thousand miles begins with a single step. If that step gets us a closer to intermediaries, the journey will be on track.

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