

PhD Seminar
MKT 606 - MARKETING STRATEGY MODELS:
(MARKETING MANAGEMENT B)

Professor Hubert Gatignon

Seminar Overview:

This doctoral seminar focuses on marketing strategy models. Marketing strategy is a broad term with many meanings. It is concerned with the choices and planning of resource deployments to achieve marketing objectives in a target market. It involves analysis and decision making regarding marketing goal setting, target market selection, desired positioning as well as resource allocation decisions that define how to do it. The fundamental goal is to achieve and maintain a fit between the organization and its changing environment.

Course Objectives:

The objectives for the course are:

- To understand concepts, models and paradigms that form the foundation of marketing strategy,
- To develop the ability to critically integrate findings from the marketing strategy modeling literature.
- To develop the ability to identify major gaps that exist in the marketing strategy modeling literature, and as a result identify research projects that represent priority areas for inquiry.
- To enhance your ability to present, explain, and defend scholarly thoughts and positions, as well as to professionally respond and react to other scholars.
- To strengthen the skills needed to conduct original marketing strategy modeling that can be published in the leading marketing journals.

Instructions for students:

The syllabus lists seven topics that will be discussed in class. Each topic will be presented by students (one individually and the others by a group of two or three students). Please inform [Joan Lewis](#) of your choices of articles well before the beginning of the seminar, so that she can circulate this information by email to the class.

In order to prepare for the topic, the student or students responsible for the session will need to skim all the readings listed in the syllabus. S/he or they will also need to select three articles that s/he or they would like to focus on at least two weeks before the class scheduled for this topic. These three articles will need to be read by all students for discussion in the class.

The student in charge of the session should prepare the discussion by (prepare Power Point slides with handout copies to be distributed in class):

- Identifying the theoretical and managerial issues involved in the topic of the day;
- Outlining the research question of each article selected; and
- Offering a critique of the theoretical and methodological aspects of each article.

While we will spend some time discussing the strengths and weaknesses of individual articles, you should also focus on the relationships and linkages among articles. Note that this will require some time for reflection and to help you, you should think about the following questions: (1) how do the articles relate and build on one another? (2) what major gaps exist in the literature? And (3) what are high priority directions for future research?

Each student in the class should introduce one new research idea on the topic of the session, be prepared to show how it fits a gap in the current literature, and present the research approach to use. These two points should be prepared in writing (2 pages maximum) to be distributed to the other students in class.

Grading:

Presentation:	30 %
Research idea write-ups:	30 %
Final paper:	40 %

Final Paper:

A final paper will be required for the course (most likely, but not necessarily, based on the topic presented in class). The paper should identify a marketing strategic issue, describe the theoretical basis of the question, and summarize ingeniously past research on the subject. The paper should identify a gap in the knowledge base and develop a research proposal with the specification of a model to be estimated.

In order to make sure you have a paper under way on time to finish on time, you will be asked to submit a 2-3 page outline of the proposed paper (for instructor approval of the topic) before June 2nd, 2012. A draft of the first 8-10 pages will be due by June 18th and the completed paper is due one week after the end of classes. The final paper should include:

- Introduction – an overview of the proposed research.
- Literature review – concepts and principles, relevant theories, empirical studies, gap(s) in literature.
- Proposed research design and methodology- this includes study rationale, research objectives, theory development, statement of hypotheses, research design, model specification, statistical tests, dummy tables.
- References (provided in a bibliography).

Outline of Session-Topics: (please refer to final course schedule from PhD office for the specific dates)

MARKETING STRATEGY MODELS	
Session 1	Market Structure: Identifying and Choosing Markets
Session 2	Competitive Analysis and Competitive Dynamics
Session 3	Product Life Cycle
Session 4	Innovation Strategy
Session 5	Allocation of Resources
Session 6	Market Orientation
Session 7	Reaching International Markets

READING ASSIGNMENTS (Selected articles from list below):

Session 1:

Topic: Market Structure: Identifying and Choosing Markets

Reibstein, David and Hubert Gatignon (1984), "[Optimal Product Line Pricing: The Influence of Elasticities and Cross-Elasticities](#)," *Journal of Marketing Research*, 21, 3 (August), 259-67.

Gatignon, Hubert (1987), "[Strategic Studies in MARKSTRAT](#)", *Journal of Business Research*, 15, 6, (December), 469-480

Helsen, Kristiaan, Kamel Jedidi, and Wayne S. DeSarbo (1993), "[A New Approach to Country Segmentation Utilizing Multinational Diffusion Patterns](#)," *Journal of Marketing*, 57, October, 60-71.

Mahajan, Vijay and Eitan Muller (1998), "[When is it Worthwhile Targeting the Majority Instead of the Innovators in a New Product Launch](#)," *Journal of Marketing Research*, 35, 4 (November), 488-495.

Day, George S. and Robin Wensley (2002), "Market Strategies and Theories of the Firm," in Barton A. Weitz and Robin Wensley, eds., *Handbook of Marketing*, London: Sage Publications, 85-105.

Shocker, Allan D. (2002), "Determining the Structure of Product-Markets: Practices, Issues, and Suggestions," in Barton A. Weitz and Robin Wensley, eds., *Handbook of Marketing*, London: Sage Publications, 106-125.

Talukdar, Debabrata, K. Sudhir, and Andrew Ainslie (2002), "[Investigating New Product Diffusion across Products and Countries](#)," *Marketing Science*, 21, 1 (Winter), 97-114.

Angelmar, Reinhard (2004), "[Developing New Products and Services for the Global Market](#)," in Hubert Gatignon and John R. Kimberly, eds, *The INSEAD-Wharton Alliance on Globalizing: Strategies for Building Successful Global Businesses*, Cambridge University Press, 159-183.

Gatignon, Hubert and Christophe Van den Bulte (2004), "[Global Marketing of New Products](#)," in Hubert Gatignon and John R. Kimberly, eds, *The INSEAD-Wharton Alliance on Globalizing: Strategies for Building Successful Global Businesses*, Cambridge University Press, 207-228.

Session 2: Competitive Analysis and Competitive Dynamics

Gatignon, Hubert, Erin Anderson, and Kristiaan Helsen (1989), "[Competitive Reactions to Market Entry: Explaining Interfirm Differences](#)", *Journal of Marketing Research*, 26, (February), 44-55.

Dickson, Peter R. (1992), "[Towards a General Theory of Competitive Rationality](#)", *Journal of Marketing*, 56 (1), 69-83.

Deshpande, Rohit and Hubert Gatignon (1994), "[Competitive Analysis](#)", *Marketing Letters*, 5, 3 (July), 271-288.

Ramaswamy, Venkatram, Hubert Gatignon and David Reibstein (1994), "[Competitive Marketing Behavior in Industrial Markets](#)", *Journal of Marketing*, 58, 2 (April), 45-55.

Bowman, Douglas and Hubert Gatignon (1995), "[Determinants of Competitor Response Time to a New Project Introduction](#)", *Journal of Marketing Research*, 32, 1 (February), 42-53.

Gatignon, Hubert, Thomas S. Robertson and Adam Fein (1997), "[Incumbent Defense Strategies Against Innovative Entry](#)", *International Journal of Research in Marketing*, 14, 2, 163-176.

Ailawadi, Kusum L., Praveen K. Kopalle, and Scott A. Neslin (2005), "[Predicting Competitive Response to a Major Policy Change: Combining Game-Theoretic and Empirical Analyses](#)", *Marketing Science*, 24, 1 (Winter), 12-24.

Steenkamp, Jan-Benedict E. M., Vincent R. Nijs, Dominique Hanssens, and Marnik G. Dekimpe (2005), "[Competitive Reactions to Advertising and Promotion Attacks](#)", *Marketing Science*, 24, 1 (Winter), 35-54.

Debruyne, Marion and David J. Reibstein (2005), "[Competitor See, Competitor Do: Incumbent Entry in New Market Niches](#)", *Marketing Science*, 24, 1 (Winter), 55-66.

Dubé, Jean-Pierre and Puneet Manchanda (2005), "[Differences in Dynamic Brand Competition Across Markets: An Empirical Analysis](#)", *Marketing Science*, 24, 1 (Winter), 81-95.

Sudhir, K., Pradeep K. Chintagunta, and Vrinda Kadiyali (2005), "[Time-Varying Competition](#)", *Marketing Science*, 24, 1 (Winter), 96-109.

Montgomery, David B. and Marian Chapman Moore (2005), "[Reasoning About Competitive Reactions: Evidence from Executives](#)", *Marketing Science*, 24, 1 (Winter), 138-49.

Soberman, David, Hubert Gatignon and Gueram Sargsyan, "[The Use of Attraction Models in Competitive Optimization Problems](#)", Working Paper.

Session 3: Product Life Cycle

Parsons, Leonard J. (1975), "[The Product Life Cycle and Time-Varying Advertising Elasticities](#)", *Journal of Marketing Research*, 12, 4 (November), 476-80.

Simon, Hermann (1979), "[Dynamics of Price Elasticity and Brand Life Cycles: An Empirical Study](#)", *Journal of Marketing Research*, 16, 4 (November), 439-52.

Wernerfelt, Birger (1985), "[The Dynamics of Prices and Market Shares Over the Product Life Cycle](#)", *Management Science*, 31, 8, August, 928-39.

Gatignon, Hubert and Thomas S. Robertson (1989), "[Technology Diffusion: An Empirical Test of Competitive Effects](#)", *Journal of Marketing*, 53, 1, (January), 35-49.

Mahajan, Vijay, Eitan Muller, and Frank Bass (1993), "[New Product Diffusion Models](#)," Chapter 8 in *Handbooks in Operations Research and Management Science*, Jehoshua Eliashberg and Gary L. Lilien, Eds. Vol. Marketing. Amsterdam, The Netherlands: Elsevier Science Publishers B.V.

Parker, Philip M. and Hubert Gatignon (1994), "[Specifying Competitive Effects in Diffusion Models: An Empirical Analysis](#)", *International Journal of Research in Marketing*, 11, 1 (January), 17-40.

Bowman, Douglas and Hubert Gatignon (1996), "[Order of Entry as a Moderator of the Effect of The Marketing Mix on Market Share](#)", *Marketing Science*, 15, 3, 222-242.

Parker, Philip M. and Hubert Gatignon (1996), "[Order of Entry, Trial Diffusion, and Elasticity Dynamics: An Empirical Case](#)", *Marketing Letters*, 7, 1, 95-109.

Kuester, Sabine, Hubert Gatignon and Thomas S. Robertson, (2000) "[Firm Strategy and Speed of Diffusion](#)" in Vijay Mahajan and Jerry Wind, *New-Product Diffusion Models*, Norwell, MA : Kluwer Academic Publishers, 27-48.

Danaher, Peter J, Bruce G S Hardie, and William P Putsis Jr (2001), "[Marketing-mix variables and the diffusion of successive generations of a technological innovation](#)," *Journal of Marketing Research*, 38 (4), 501-14.

Soberman, David and Hubert Gatignon (2005). "[Research Issues at the Boundary of Competitive Dynamics and Market Evolution](#)," *Marketing Science*, 24, 1, pp. 165-174.

Session 4: Innovation Strategy

Gatignon, Hubert and Thomas S. Robertson (1985), "[A Propositional Inventory for New Diffusion Research](#)", *Journal of Consumer Research*, 11, 4, (March), 859-867

Gatignon, Hubert, Barton A. Weitz, and Pradeep Bansal (1990), "[Brand Introduction Strategies and Competitive Environments](#)", *Journal of Marketing Research*, 27, 4(November), 390-401.

Moorman, C. (1995), [Organizational Market Information Processes: Cultural Antecedents and New Product Outcomes](#), *Journal of Marketing Research*, 32(August), 318-335.

Moorman, Christine and Anne S. Miner (1997), "[The Impact of Organizational Memory on New Product Performance and Creativity](#)," *Journal of Marketing Research*, 34, 91-106.

Gatignon, Hubert and Jean-Marc Xuereb (1997), "[Firm Orientation and Innovation Performance](#)", *Journal of Marketing Research*, 34, 1 (February), 77-90.

Moorman, Christine and Anne S. Minor (1998), "[The Convergence of Planning and Execution: Improvisation in New Product Development](#)," *Journal of Marketing*, 62 (July), 1-20.

Chandy, Rajesh K. and Gerard J. Tellis (1998), "[Organizing for Radical Product Innovation: The Overlooked Role of Willingness to Cannibalize](#)," *Journal of Marketing Research*, 35, 4 (November), 474-87.

Robertson, Thomas and Hubert Gatignon (1998), "[Technology Development Mode: A Transaction Cost Conceptualization](#)," *Strategic Management Journal*, 19, 6 (June), 515-532

Chandy, Rajesh K. and Gerard J. Tellis (2000), "[The Incumbent's Curse? Incumbency, Size, and Radical Product Innovation](#)," *Journal of Marketing*, 64, 3 (July), 1-7.

Gatignon, Hubert, Michael L. Tushman, Wendy Smith, and Philip Anderson (2002) "[A Structural Approach to Assessing Innovation: Construct Development of Innovation Locus, Type, and Characteristics](#)," *Management Science*, 48, 9, 1103-1122.

Bayus, Barry L., Gary Erickson and Robert Jacobson (2003), "[The Financial Rewards of New Product Introductions in the Personal Computer Industry](#)," *Management Science*, 49, 2, 197-210.

Sorescu, Alina B., Rajesh K. Chandy, and Jaideep C. Prabhu (2003), "[Sources and financial consequences of radical innovation: insights from pharmaceuticals](#)," *Journal of Marketing*, 67, October, 82-102.

Im, S., & J.P. Workman Jr. (2004), "[Market orientation, creativity, and new product performance in high technology firms](#)," *Journal of Marketing*, 68 (April), 114-132.

Srinivasan, Raji; Lilien, Gary L.; Rangaswamy, Arvind (2004), "[First in, First out? The Effects of Network Externalities on Pioneer Survival](#)," *Journal of Marketing*, 68, January, pp. 41-58.

Sorescu, Alina B., Rajesh K. Chandy, and Jaideep C. Prabhu (2004), "Who Introduces More Radical Innovations and Who gains More from Them?" Working Paper, Report No 03-118, Marketing Science Institute.

Prabhu, Jaideep C., Rajesh K. Chandy, and Mark E. Ellis (2005), "[The Impact of Acquisitions on Innovation: Poison Pill, Placebo or Tonic?](#)" *Journal of Marketing*, 69, January, 114-30.

Govindrajana, Vijay and Praveen K. Kopalle (Draft June 5, 2007), "[How Incumbents can Introduce Radical and Disruptive Innovations](#)", Tuck School of Business at Dartmouth.

Smith, Wendy, Michael Tushman and Hubert Gatignon (2005), "[Innovation and Organizational Change](#)," Working Paper.

Min, Sungwook; Kalwani, Manohar U.; Robinson (2006), William T. "[Market Pioneer and Early Follower Survival Risks: A Contingency Analysis of Really New Versus Incrementally New Product-Markets](#)," *Journal of Marketing*, Jan2006, Vol. 70 Issue 1, 15-33.

Vijay Govindarajan, Praveen K. Kopalle (2005), "[Disruptiveness of innovations: measurement and an assessment of reliability and validity](#)", *Strategic Management Journal*, 27, 2 (February 2006), 189-199.

Cassiman, Bruno and Reinhilde Veugelers (2006), "[In search of complementarity in innovation strategy: Internal R&D and External knowledge acquisition](#)", *Management Science*, 52, 1, 68-82.

Carbonell, Pilar and ana Isabel Rodriquez (2006), "[The impact of market characteristics and innovation speed on perceptions of positional advantage and new product performance](#)," *International Journal of Research in Marketing*, 23, pp. 1-12.

Session 5: Allocation of Resources

Lilien, Gary L. (1979), "[Advisor 2: Modeling the Marketing Mix Decision for Industrial Products](#)", *Management Science*, 25, 2 (February), 191-204.

Hauser, John R. and Steven M. Shugan (1983), "[Defensive Marketing Strategies](#)", *Marketing Science*, 2, 4 (Fall), 319-60.

Hauser, John R. and Steven P. Gaskin (1984), "[Application of the 'Defender' Consumer Model](#)", *Marketing Science*, 3, 4 (Fall), 327-51.

Gatignon, Hubert and Dominique M. Hanssens (1987), "[Modeling Marketing Interaction with Application to Salesforce Effectiveness](#)", *Journal of Marketing Research*, 24, 3, (August), 247-257.

Hauser, John R. (1988), "[Competitive Price and Positioning Strategies](#)", *Marketing Science*, 7, 1 (Winter), 76-91.

Gatignon, Hubert (1993), "[Marketing Mix Models](#)", in Jehoshua Eliashberg and Gary L. Lilien, eds., *Marketing Models, Handbooks in Operations Research and Management Science*, Amsterdam, The Netherlands: Elsevier Science Publishers B.V., 697-732.

Mantrala, Murali K. (2002), "[Allocating Marketing Resources](#)," in *Handbook of Marketing*, Barton Weitz and Robin Wensley, Eds. London: Sage Publications.

Mantrala, Murali K. et al. (2007), "[Uphill Or Downhill? Locating the Firm on a Profit Function](#)," *Journal of Marketing*, 71, 2, 26-44.

Farris, Paul W. and Michael J. Moore Eds. (2004), [PIMS in Retrospect and Prospect](#): Cambridge University Press.

Naik, Prasad A., Kalyan Raman, and Russell S. Winer (2005), "[Planning Marketing-Mix Strategies in the Presence of Interaction Effects](#)", *Marketing Science*, 24, 1 (Winter), 25-34.

Chintagunta, Pradeep K. and Ramarao Desiraju (2005), "[Strategic Pricing and Detailing Behavior in International Markets](#)", *Marketing Science*, 24, 1 (Winter), 67-80.

Christen, Markus and Hubert Gatignon (2007), "[Estimating the Effect of Strategic Variables With Limited Within-Cross-Section Variance](#)," Working Paper, Nov 21 version.

Session 6: Market Orientation

Narver, John C. and Stanley F. Slater (1990), "[The Effect of Market Orientation on Business Profitability](#)," *Journal of Marketing*, 54, 4 (October), 20-35.

Ruekert, Robert W. (1992), "[Developing a Market Orientation](#)," *International Journal of Research in Marketing*, 9, 225-45.

Jaworski, Bernard J. and Ajay K. Kohli (1993), "[Market Orientation: Antecedents and Consequences](#)", *Journal of Marketing*, 57 (July), 53-70.

Kohli, Ajay K., Bernard J. Jaworski, and Ajith Kumar (1993), "[MARKOR: A Measure of Market Orientation](#)", *Journal of Marketing Research*, 30, 4 (November), 467-77.

Day, George S. (1994), "[The Capabilities of Market-Driven Organizations](#)," *Journal of Marketing*, 58 (October), 37-52.

Siguaw, Judy A., Gene Brown, and Robert E. Widing II (1994), "[The Influence of Market Orientation of the Firm on Sales Force Behavior and Attitudes](#)", *Journal of Marketing Research*, 31, 1 (February), 106-16.

Narver, Stanley F. and John C. Narver (1995), "[Market Orientation and the Learning Organization](#)", *Journal of Marketing*, 59 (July), 63-74.

Han, Jin K., Namwoon Kim, and Rajendra K. Srivastava (1998), "[Market Orientation and Organizational Performance: Is innovation a Missing Link](#)", *Journal of Marketing*, 62 (October), 30-45.

Dutta, Shantanu, Om Narasimhan, and Surendra Rajiv (1999), "[Success in High Technology Markets: Is Marketing Capability Critical?](#)", Cambridge: Marketing Science Institute.

Deshpand_, Rohit and John U. Farley (2004), "[Organizational Culture, Market Orientation, Innovativeness, and Firm Performance: An International Research Odyssey](#)", *International Journal of Research in Marketing*, 21 (1), 3-22.

Auh, Seigyoung and Bulent Menguc (2005), "[The Influence of Top Management Team Functional Diversity on Strategic Orientations: The Moderating Role of Environmental Turbulence and Inter-functional Coordination](#)", *International Journal of Research in Marketing*, 22 (3), 333-50.

Gotteland, David and Jean-Marie Boul_ (2006), "[The Market Orientation - New Product Performance Relationship: Redefining the Moderating Role of Environmental Conditions](#)", *International Journal of Research in Marketing*, 23, 2, 171-185.

Deshpande, Rohit, John U. Farley and Frederick E. Webster, Jr. (1993), "[Corporate Culture, customer Orientation, and Innovativeness in Kapanese Firms: A quadrad analysis](#)", *Journal of Marketing*, 57, pp 23-27.

Deshpande, Rohit and Frederick E. Webster, Jr. (1989), "[Organizational Culture and Marketing: Defining the Research Agenda](#)", *Journal of Marketing*, 53, 1, pp. 3-15.

Session 7: Reaching International Markets

Anderson, Erin and Hubert Gatignon (1986), "[Modes of Foreign Entry: A Transaction Cost Analysis and Propositions](#)", *Journal of International Business Studies*, 17, 3, (Fall), 1-26

Gatignon, Hubert and Erin Anderson (1988), "[The Multinational Corporation's Degree of Control Over Foreign Subsidiaries: An Empirical Test of a Transaction Cost Explanation](#)", *Journal of Law, Economics, and Organization*, 4, 2, (Fall), 89-120.

Gatignon, Hubert, Jehoshua Eliashberg, and Thomas S. Robertson (1989), "[Modeling Multinational Diffusion Patterns: An Efficient Methodology](#)", *Marketing Science*, 8, 3 (Summer), 231-247.

Hill, Charles W. L., Peter Hwang, and W. Chan Kim (1990), "[An Eclectic Theory of the Choice of International Entry Mode](#)", *Strategic Management Journal*, 11, 117-28.

Fladmoe-Lindquist, Karin and Laurent L. Jacque (1995), "[Control Modes in International Service Operations: The Propensity to Franchise](#)", *Management Science*, 41, 7 (July), 1238-49.

Kotabe, Masaaki, Arvind Sahay, and Preet S. Aulakh (1996), "[Emerging Roles of Technology Licensing in the Development of Global Product Strategy: Conceptual Framework and Research Propositions](#)", *Journal of Marketing*, 52, January, 73-88.

Johansson, Johny K. (2002), "[Global Marketing: Research on Foreign Entry, Local Marketing, Global Management](#)", in Handbook of Marketing, Barton Weitz and Robin Wensley, Eds. London: Sage Publications.

Gatignon, Hubert and Christophe Van den Bulte (2004), "[Global Marketing of New Products](#)", in: The INSEAD-Wharton Alliance on Globalizing: Strategies for Building Successful Global Businesses, Cambridge University Press. Chapter 9.

Erdem, Tulin, Joffre Swait, Ana Valenzuela (2006), "[Brands as Signals: A Cross-Country Validation Study](#)", *Journal of Marketing*, 70, 1 (January), pp. 34-49.

Alden, Dana L.; Steenkamp, Jan-Benedict E. M.; Batra, Rajeev. (1999), "[Brand Positioning Through Advertising in Asia, North America, and Europe: The Role of Global Consumer Culture](#)", *Journal of Marketing*, 63, 1, 75-87.

Dawar, Niraj; Parker, Philip, (1994), "[Marketing universals: Consumers' use of brand name, price, physical appearance, and retailer...](#)", *Journal of Marketing*, 58, 2, 81.

Gürhan-Canli, Zeynep; Maheswaran, Durairaj. (2000), "[Cultural Variations in Country of Origin Effects](#)", *Journal of Marketing Research (JMR)*, 37, 3, 309-317.

Roth, Martin S.. (1995) "[The effects of culture and socioeconomics on the performance of global brand image strategies](#)", *Journal of Marketing Research (JMR)*, 32, 2, 163.

Antia, Kersi D.; Bergen, Mark E.; Dutta, Shantanu; Fisher, Robert J..(2006), "[How Does Enforcement Deter Gray Market Incidence?](#)", *Journal of Marketing*, 70, 1, 92-106.

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