

# Exchange

The Fuqua School of Business Alumni Magazine | Summer 2004

We Educate Thoughtful Business Leaders  
Worldwide

## TO MARKET... TO MARKET



PLAN  
VISION  
TIMING  
AUDIENCE  
DIRECT  
SUPPLY  
DEMAND  
PLACEMENT  
COMPETITION  
RESEARCH  
GROWTH  
NICHE  
FASTER  
CHEAPER  
BETTER  
BRAND  
DIFFERENTIATE  
SELECTION  
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MANAGING CUSTOMER VALUES

# LEADERS IN MARKETING

BY JIM GRAY

*Associate Dean, Marketing & Communications*

What is the one secret to having one of the best marketing faculties in the world of business schools? Lunch.

Everyday at 11:30 (better to beat the crowd when classes end at 12:45) Fuqua's marketing faculty gathers at a lunch table in the Fox Student Center to talk shop, chit chat about Duke basketball, or get serious about the next marketing professor the area needs to recruit to remain the best.

It is this daily lunch gathering that symbolizes the area's camaraderie among its 18 members, the collaborative spirit that produces great teaching and research, and completeness as a group. Duke's marketing faculty is arguably the best in the world because of the combination of the three.

"Academic departments can range from dysfunctional families to communities of scholars," area coordinator Christine Moorman writes in her description of the area's strengths. "Duke Marketing is an exemplar of the latter. We all believe in the central role of knowledge development for both our performance in the classroom and our ability to contribute to the marketing literature."

Research output from Fuqua's community of marketing scholars begins with the simple concept of getting along as a group, according to marketing area stalwarts Rick Staelin and Bill Boulding. "To be productive, it starts with knowing the mission and liking each other," said 22-year veteran and former Deputy Dean Staelin. "We are the opposite of that dysfunctional family in other marketing departments. We talk, collaborate and share a commitment to innovation. In short, we act like leaders."

As Staelin and Boulding see it, Fuqua's rise to greatness in marketing began in the late 1970s with the arrival of Joel Huber, John McCann and John Payne. They started the tradition of leadership. The tradition of lunch together at the Thomas Center also began then. When Boulding was area coordinator about seven years ago, they said, the current mission was born.

"Bill began pushing us. He declared we were going to build the No. 1 marketing group in the world," Staelin said. "He pounded on us, 'OK, let's go.'"

"We began telling people that if you want to be with the best marketing faculty and be the best yourself, join us. We were

very focused as we identified people we needed to meet our goals, and all of them have come," he said.

If one understands the Fuqua mission of being the world leader by being populated with just the right mix of scholars, one understands why its members are so proud. Staelin uses the analogy of an ocean. "Look at a good marketing group as a group of scholars who study the broad sea of knowledge. Think of the individual professors as islands that span this sea and the collaborative culture as fostering bridges that connect these individual islands. Our goal is to make sure there are lots of bridges. We have these links because we are truly interested in each others' work."

Whether the specialty is behavior, strategy, quantitative, advertising, pricing or product, they are all connected," he said. "Any way you cut it, people talk in a collaborative spirit," he said.

Thus, Fuqua is strong in all three of the major areas of marketing: behavioral, quantitative and marketing strategy. Within subfields, Duke also has balance, whether one looks at analytical modelers or empirical marketing scientists.

Much of the success has come from senior faculty bringing in just the right "young Turks."

John Lynch agrees. "When I came here in 1996, we had a terrific faculty—one of the five best in the world. But if I look at the people we have hired since that time, it is amazing how much we have improved. We have hired "triple-threat" scholars who are research stars, teaching stars and leaders in the field and within Fuqua."

Lynch continued, "Rick mentioned our ability to identify the right young people. He's right. One reason for our talent identification success is that we have been heavily involved as 'gatekeepers' for the top journals as editors and members of editorial boards. We have better knowledge than our competitors about who is doing the most exciting work. We don't just look at the same top 10 business school competitors. We are aware of people who are emerging research and teaching stars at other institutions and in social sciences related to marketing. And we do a lot of work to make sure that the people we hire will be a culture fit.



***“Rankings build pride, but the ultimate goal of the department is to be second-to-none in the classroom and in research.”***

“The senior to midrange people we recruited in my first few years here have stepped in and are now playing important leadership roles in the school and in the field; these are people like Preyas Desai, Wagner Kamakura, Carl Mela, Chris Moorman and Debu Purohit. Our recruits over the past two or three years have the same qualities. We’ve hired two of Wharton’s brightest mid-level stars, Gavan Fitzsimons and Mary Frances Luce, Purdue’s top researcher and teacher, Wilfred Almadoss, and a first-rate social psychologist, Tanya Chartrand, who is generally considered to be one of the two best of her generation. And because everyone is really good and has the same values, we have a level of harmony that cannot be rivaled by any of our elite competitors.”

Conversations with Fuqua marketers, however, do not stray very far from the personal relationships. “Nobody draws a line in the sand or says this or that is his turf. There is a lot of flexibility in dealing with each other,” Moorman said. She points as proof to the recent development of the monthly MBA Marketing for Lunch series that is open each time to about 40 students and is sponsored by the marketing club. It’s normally standing-room-only. “We talk about our research, which is truly what we are all about.”

Research productivity is being noticed by the outside world, as well. Martha Rogers said Fuqua faculty members are being noticed not because of where they are located but because what they are saying is “brilliant.”

Rogers, an adjunct professor at Fuqua and co-director of the Teradata Center for Customer Relationship Management, gives an outside view as the author of the new book published by Wiley, *Managing Customer Relationships*. “I am struck by the culture of the department. I have a lot of respect for the faculty because it is very productive and rigorous. It is producing great work and great students,” she said. Fuqua’s Julie Edell Britton is also a contributor in the book.

Her work and others are getting noticed. Fuqua is ranked consistently in the Top 5 marketing departments in the world, yet its members believe deeply that it is No. 1. “If the standard is academic excellence, by any measure of recent accomplishments, we are now the best in the world,” Moorman wrote in

Fuqua’s new strategic plan for 2004–2009. “It is true that our competitors (Wharton, Kellogg and Harvard are most often mentioned) have done some terrific work in the past. However, by recent performance, Fuqua is now the most influential marketing group in the world in contributions to scholarship.”

Following are Fuqua’s recent “metrics” that matter. Duke has:

- Been cited more in articles and books published since 1997, both in total and on per capita basis.
- Won the most “best article of the year” awards from the top four marketing journals since 1997—both in total and per capita.
- Had the third most articles published in these same journals since 1997 and the most per capita.
- Held the most editorial board memberships on these journals, both in total and per capita.

In summary, Duke is ranked highest on seven of the eight research metrics deemed most important. And marketing faculty members regularly receive recognition for their teaching, such as Preyas Desai winning the 2003 Global Executive teaching award. Rankings build pride, but the ultimate goal of the department is to be second-to-none in the classroom and in research. “Our goal is to develop that next new marketing insight,” Moorman said, “because that is truly what we are.”

With one year remaining in her three-year term as area coordinator, are there any other goals out there to be reached? Moorman and her colleagues say their only frustration is that Duke’s reputation still lags behind others. Extra effort is being made to position Fuqua prominently in conferences, in the pages of journals, in the consumer and marketing practitioner newspapers and magazines, and in the myriad award competitions.

Staelin speaks for the group when he says, “It’s tough to sustain both research and teaching at the high levels we aspire to. Our goal is to not lose our momentum and to help everybody be more impactful in their teaching, talking, collaborating and innovating—in short, to be leaders.”





# THE KEY TO SUCCESS

BY CHRISTINE MOORMAN

*Marketing Area Coordinator*

I have had the opportunity to serve as the coordinator for the marketing area for the past two years. This role has made it clear to me that this is a special group of faculty. Academic departments can range from dysfunctional families to communities of scholars. Duke marketing is an exemplar of the latter. We all believe in the central role of knowledge development for both our performance in the classroom and our ability to contribute to the marketing literature.

In addition, as a group, we do not narrowly define the boundaries of those knowledge development efforts. Instead, we are a broad group of scholars interested in consumer behavior, marketing strategy and marketing models. This breadth means that we have a full arsenal of ideas and approaches that we can access to help us create better research and teaching. At the same time, we have enough depth in nearly all these areas to help faculty get help and form partnerships on specific projects or problems they face.

A key part of why we have been successful in building and retaining our culture of knowledge development is that we have a strong Ph.D. program. Our students push us to work on projects with them, and we learn and create new ideas with their help. These working relationships help our students move on to become faculty at some of the best business schools in the world. We currently have former Ph.D. students on the faculty at Stanford, Northwestern, Wharton, Dartmouth, MIT, Michigan, Carnegie Mellon, Columbia, among others.

Our teaching is synergistic with our focus on knowledge development. Our interactions with students and executives in the classroom often raise important issues that we are perplexed by and that form the basis of a new article or book we might write. The classroom is also a laboratory, because we often present our newest ideas, frameworks and findings to students to see if they hold up to scrutiny. These interactions are critical to our ability to complete the knowledge development-knowledge dissemination cycle that we believe makes us both better scholars and better teachers.

Pages 22–25 showcase a number of research projects marketing faculty are presently working on. Please find a complete listing on the marketing area web site: <http://faculty.fuqua.duke.edu/areas/marketing/>

PLAN  
VISION  
TIMING  
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COMPETITION  
RESEARCH  
GROWTH  
NICHE  
FASTER  
CHEAPER  
BETTER  
BRAND  
DIFFERENTIATE  
SELECTION  
TARGET  
SHARE  
REACH



## MBA STUDENT AND ALUMNI COMMENTS ABOUT THE MARKETING FACULTY

### SUE JOHNSTON '03, GLOBAL EXECUTIVE

*Knowing that Professor Desai had been selected "Outstanding Professor" by previous Global Executive classes, I eagerly anticipated his Intro to Marketing course and found that it surpassed my expectations. The knowledge that I gained in the course sharpened my abilities to assess and evaluate market opportunities and to look for innovative ways to meet customer demand—both incredibly important skills to me as an entrepreneur.*

### TIMOTHY CONNOR '03, GLOBAL EXECUTIVE

*The Marketing Management course with Professor Desai was extremely well-designed to take advantage of the international setting and multinational class members of the Global Executive program, such as using case studies dealing with Asia while we were in Asia with a number of students who are well-versed in business there.*

### GEORGE COLONIAS '03, GLOBAL EXECUTIVE

*My respect and admiration for the marketing discipline has grown tremendously since my experience with Professor Desai. His particular passion for the subject and his approach as both an academic as well as a practitioner added a unique dimension to the learning experience, which I find not unique to Global Executive, though uncommon elsewhere.*

### FILIPPO ARCIERI '04, CROSS CONTINENT

*You learn specific knowledge in every course of an MBA Program. But in Christine Moorman's Marketing Strategy, you learn something useful for everything: to be in charge.*

### ALEXANDER HAMMER '04, CROSS CONTINENT

*What stood out most from Professor Moorman's class was her highly logical, organized and personable approach to teaching, as well as her ability to solicit multiple student views without losing focus. The overall experience has helped me think more critically about my organization's marketing effectiveness.*

### BRAD JOSEPH '05, DAYTIME

*Fuqua has an amazing marketing faculty. They are tireless in ensuring that every student has the help he or she needs. Even in such an illustrious peer group, John Lynch stands out with his enthusiastic teaching style, knowledge, and sensitivity to students' needs. I am fortunate that Fuqua has such knowledgeable and passionate teachers like him.*

### GIAN DI GREGORIO '05, DAYTIME

*Professor John Lynch was emphatic when in the first session he mentioned how marketing research was frequently missing the target when it came to effectively measuring client's needs. All in all, the relevance of this course, regardless of the career, was presented unquestionably by John, especially because it relied on widespread principles of information collection, research design and causal analysis.*



## FORMER PH.D. STUDENT COMMENTS ABOUT FUQUA'S MARKETING FACULTY

### MARY FRANCES LUCE

ASSOCIATE PROFESSOR, WHARTON

*I first visited the Fuqua marketing area approximately 15 years ago, as a prospective Ph.D. student. Even during that initial brief meeting, I was strongly impressed by the intellectual community at Duke. My fondness for the area's intellectual community is probably best illustrated by the fact that I am leaving a tenured position at the Wharton school to re-join Fuqua as a professor of marketing.*

### JONATHAN LEVAV

ASSISTANT PROFESSOR, COLUMBIA UNIVERSITY

*The thing that I remember best about my time as a Duke marketing Ph.D. student is that I was free to be myself in all respects, both in a personal and academic sense. I was encouraged to pursue research topics that interested me, no matter how central or peripheral they were in the marketing academic literature. The support I received from the faculty was unqualified.*

### DAN ARIELY

LUIS ALVAREZ RENTA PROFESSOR OF MANAGEMENT SCIENCE, MIT

*Being a Ph.D. student in marketing at Fuqua was a mix of pure fun, academic excitement and learning. I have learned a lot of new ideas and methods in my years at Duke, but more than anything I cherish the lessons I had on how exciting research can be, how fulfilling it is to find answers to questions, and the lessons I had about what it means to be a good advisor and teacher to my students.*

### KEVIN LANE KELLER,

E.B. OSBORN PROFESSOR OF MARKETING, DARTMOUTH COLLEGE

*The Duke Ph.D. experience impacted my career in countless ways. The Duke marketing faculty is enormously accomplished and extremely generous. They instilled critical values and beliefs as to what scholarly research was about and how one should manage his academic career.*



# RECENT DUKE MARKETING RESEARCH

## PRODUCT INNOVATIONS CHANGE MARKET PERCEPTIONS

*Carl Mela*

New brand introductions have two well-known ramifications for markets. First, these innovations take share from existing brands. Second, to the extent new alternatives fulfill new needs, they expand the market. Thus, it is widely held that the decision to introduce a new brand is a simple tradeoff: if (1) the margins on the firm's innovation exceed that of the firm's extant brands, or (2) if the margin is lower but market growth offsets lost profits, then it is desirable to roll-out the new brand. A recent paper authored by Associate Professor Carl Mela (co-authored with Harald van Heerde and Puneet Manchanda) uncovers another relevant factor pertinent to the introduction of new brands. They find that introductions make the existing brands appear to be more similar. Therefore, a firm can make its incumbent brands more vulnerable to attack from other brands. One explanation for this change is a categorization effect, wherein the entry causes brands to be categorized as new or old. Brand in each group becomes more similar. Another explanation is a range effect. By extending the range of attributes in a category, existing brands appear to be relatively more similar.

## YOU CAN LOOK BUT YOU CAN'T TOUCH: THE "LAW OF CONTAGION" IN PRODUCT EVALUATIONS

*Andrea C. Morales and Gavan J. Fitzsimons*

This paper shows that consumers often evaluate products in ways that are consistent with magical thinking and the "law of contagion," which reasons that when two objects come into contact with one another they permanently exchange properties. We show that when a disgusting product's package touches a package containing a consumable product (e.g., cookies), evaluations of the consumable product are lower than when the disgusting product is simply present in the same shopping basket. We also find that the two products actually have to be touching and not just positioned next to one another in order to produce a decrease in evaluations. We find this

result across a range of "disgusting" products, and find evidence that the contagion is occurring outside of the consumer's conscious awareness, suggesting that it may be quite difficult to control, despite the obvious lack of rationality.

## THE ADVICE BOUNCEBACK EFFECT: WHEN ADVICE UNDERMINES ITS CAUSE

*Kurt A. Carlson and Nicole Murphy*

With new products being introduced at an unprecedented rate, consumers are becoming increasingly reliant on advice from salespersons, recommendation agents and friends. Most theories of information integration suggest that consumers use advice from credible sources and discard advice from noncredible sources. In a series of studies, we find that consumers do not discard low credibility advice when it disagrees with their current preference. Instead, they convert it into confirming information and use it to bolster their preference for the product that they currently prefer. This bounceback effect, which results in bolstered preference for the currently preferred product, has implications for the effectiveness of advertising and for persuasive appeals in general.

## GETTING RETURN ON QUALITY: REVENUE EXPANSION, COST REDUCTION, OR BOTH?

*Roland T. Rust, Christine Moorman and Peter R. Dickson*

Financial benefits from quality may be derived from revenue expansion, cost reduction, or both simultaneously. The marketing literature provides considerable support for the effectiveness of the revenue expansion perspective, while the quality and operations literatures provide equally impressive support for the effectiveness of the cost reduction perspective. We address the issue of which *quality profitability emphasis* (revenue expansion, cost reduction, or both) is most effective, in a study of managers in firms seeking to obtain a financial return from quality improvements. We examine firm performance using managers' reports of firm performance and longitudinal secondary data on firm profitability and stock returns. While it is clear that no company can

neglect either revenue expansion or cost reduction, our empirical results suggest that firms that adopt primarily a revenue expansion emphasis may perform better than firms that try to emphasize cost reduction, and better than firms that try to emphasize both revenue expansion and cost reduction simultaneously. The results have important implications with respect to how managers view organizational efforts to achieve financial returns from quality improvements.

### GEOGRAPHIC PATTERNS IN CUSTOMER SERVICE AND SATISFACTION

*Vikas Mittal, Wagner A. Kamakura and Rahul Govind*

Customer satisfaction is essential to the long-term success of a firm. However, managers—especially at firms that provide services using a regionally dispersed network of outlets—face several challenges in implementing a customer-satisfaction strategy. Examples include automotive dealerships or bank branches. For such geographically dispersed outlets, not only will overall satisfaction vary from region to region, but also will the importance placed on service quality. The firm's ability to implement a service strategy may also vary geographically. This article illustrates an approach for studying regional patterns in customer satisfaction. We identify locations where overall customer satisfaction is relatively low, but highly responsive to improvements in service quality. The action maps produced by our methodology can be used to develop a national service improvement strategy that is locally responsive (i.e., caters to the geographic variation in the relationships), a key success factor when dealing with services.

### SUSTAINABLE PIONEERING ADVANTAGE? PROFIT IMPLICATIONS OF MARKET ENTRY ORDER

*William Boulding and Markus Christen*

There is strong evidence supporting the idea that “first-to-market” leads to an enduring market share advantage. In sharp contrast to these findings, we find that at the business unit level being first-to-market leads, on average, to a long-term *profit disadvantage*. This result holds for a sample of consumer and industrial firms. We replicate the typical demand-side pioneering advantage but find an even *greater average cost disadvantage*, which is a source of the pioneering profit disadvantage. We also show that first-to-market leads to an *initial profit advantage*, which, depending on the sample or profit measure, lasts for about 12 to 14 years before turning into a disadvantage. Moreover, we show that pioneers differentially benefit from a lack of consumer learning, a strong market position and patent protection. These three moderating factors together can actually help pioneers achieve a sustainable profit advantage over later entrants.

### LET ME TALK TO MY MANAGER: HAGGLING IN A COMPETITIVE ENVIRONMENT

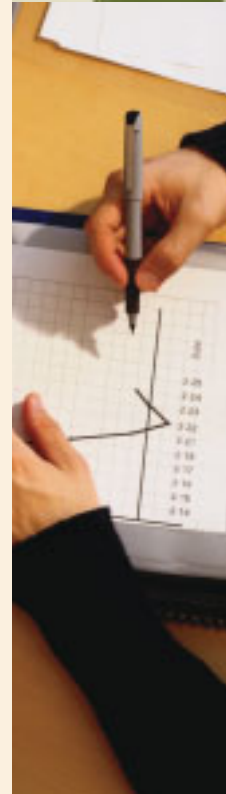
*Preyas Desai and Devavrat Purohit*

Negotiated prices are common in many markets such as consumer electronics, automobiles, white goods, etc. From a retailer's perspective, haggling can be useful because it can potentially allow the seller to charge different prices to different customers based on the customers' willingness to pay for the product. However, haggling does not help all the customers because with haggling, some customers pay a lower price and others pay a higher price. In addition, some customers simply dread the haggling process. This suggests that in a competitive market, a retailer can potentially offer customers a better value by promising a fixed price policy. We analyze how profitable and sustainable are the fixed and haggling price policies. At first blush it may appear that when most of the customers like to haggle, the retailers should choose haggling policies. Interestingly, we find that in such situations, the fixed-price policy is better for the retailers and is more likely to be sustainable. The reason is that when most of the market wants to haggle, the haggling policy leads to lower margins on sales to too many customers. The haggling policy is more profitable and more sustainable when most of customers *do not* want to haggle.

### CONSUMER REBATES FOR DURABLE GOODS

*Rick Staelin and Preyas Desai*

Currently about 40 percent of all car owners are “upside down” on their cars. This means that they owe more money on their car loan than the car is worth. We explore how car manufacturers market to these car owners via the use of cash rebates and the effect of this marketing tool on retail prices and dealer and manufacturer profits. We show that firms that sell low quality cars tend to use cash rebates more often and give deeper cash rebates. We also show that the net effect of these rebates is to increase the retail price more than the size of the rebate, thereby increasing the effective price of the car to everyone. Thus, the “winners” of this marketing practice are the consumers who use the cash rebate to solve their upside-down problem and, therefore, are able to buy a new car and the manufacturer and dealer who get higher profits. The losers are all the consumers who could have bought a new car without the rebate and who now pay an effective price, i.e., the retail price minus the rebate, that is higher than the retail price they would have paid if the manufacturer did not give the cash rebate.





### STUCK IN THE PAST: WHY MANAGERS EXHIBIT ESCALATION BIAS

*Rick Staelin and Bill Boulding*

Managers are often asked to re-evaluate a decision concerning continuing to invest in a project or idea. It is a well-recognized empirical fact that these managers often stick with their original decision to invest even though an impartial third party would say that they should reverse the decision. This is referred to as escalation of commitment. Numerous explanations have been given for why this occurs, but almost all of them revolve around the fact that the person lets their first decision influence the re-evaluation decision. For example, one of the most popular explanations have people sticking with the initial decision even in the face of very negative information just to justify to others that their initial decision to invest was good. Our research provides a different explanation for this well-documented behavior, namely that it is not making (and being associated with) the initial decision that influences the second decision. Instead, it is the manager's beliefs about the initial project or idea that cause the manager to over weight the new positive information and under weight the new negative information. Thus, this escalation of commitment can occur even when the manager is not publicly connected with making the initial decision. This has major implications on how firms might try to address the problems caused by managers sticking with a losing course of action for too long a period of time.

### EMOTIONAL REACTIONS TO FALSE ALARMS

*Mary Frances Luce*

Barbara Kahn (Wharton School) and I have investigated responses to medical false alarms such as mammography cancer scares. We leverage basic psychological theories of coping behavior in order to understand and influence testing behavior over time. For instance, we find that helping women cope with their emotional reactions to a false positive mammogram result can increase intentions to repeat mammography testing in the future.

### RESOURCE SLACK AND PROPENSITY TO DISCOUNT DELAYED INVESTMENTS OF TIME VERSUS MONEY

*Gal Zauberman and John Lynch*

Many of us have accepted invitations weeks or months in advance to take on some desirable optional project, only to regret our decisions later when we had to spend the time promised. Lynch and his former student Zauberman show that we discount future investments of a resource when we think we will have more "slack" for a resource in the future than in the present. People have the false impression that they'll be less busy in the near future than they are today, but they do not falsely assume that they will have more money in the near future than they have today. Consequently, our discount rates are higher for investments of time than of money.

### ENHANCING EXPERIENCED UTILITY: THE IMPACT OF PERSONAL NARRATIVES IN APPRECIATING ART

*Pat West, Joel Huber and Kyeong Sam Min*

What Experiences Increase Liking for Art?

In contrast with much marketing research which deals with predicting what experiences a person will like, this research explores what a person can do to increase liking for that experience. We ask people to perform different tasks related to works of art and determine which task best helps them appreciate particular German Expressionist paintings. There are four tasks tested: (1) write what you like/dislike about the painting, (2) write what kind of person would like this painting and why, (3) make up a dialog of two people discussing the painting and (4) make up a story in which you put yourself in the painting. We find that story telling (4) strongly increases liking for the painting, while dialogs decrease liking. Stories allow people to relate the painting to their interests and thus create greater attachment to it.

### PRICING OF CONSPICUOUS GOODS: SOCIAL NEEDS PLAY AN IMPORTANT ROLE IN THE PURCHASE OF CONSPICUOUS GOODS

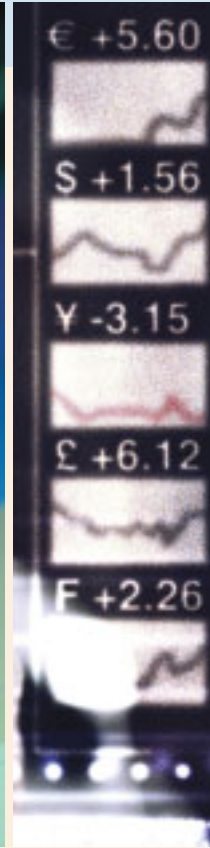
*Wilfred Amaldoss and Sanjay Jain*

In a new research, we find that consumer desire for uniqueness can lead to increase in demand as the price of a product rises. Second, we also observe that while the desire for uniqueness leads to higher prices and firm profits, a desire for conformity leads to lower prices and profits. Third, we find that consumers purchase high quality products not because of their desire for uniqueness, but despite it. In a laboratory test, we find support for the claim that demand for a product among consumers who desire uniqueness might increase as its price increases.

### CONSUMER PRICE NEGLECT

*Darryl T. Banks*

Some people buy things from supermarkets without ever even looking at the prices that they will pay for those things. You may be one of them! Researchers have known about this behavior since the early 1960's, but the reasons some consumers do it and its consequences remain unanswered questions. By way of a formal game-theoretic analysis, this paper seeks to answer those questions. Simply put, consumers who fail to check prices do so because they know that they can rely on the vigilance of those who *do* check prices to force the store to price at acceptable levels. Of course, in order for those who do not check prices to rely on this strategy, they must represent a small proportion of the total number of consumers who go to the store so that the store is forced to set its price to appeal to the price vigilant shoppers. This clever strategy causes a major problem for the store, which wants every consumer in the market to come and buy. To deal with this problem, the store must resort to (costly) advertising as a way to communicate its



commitment to attractive prices. So, interestingly, there are negative consequences of consumer price neglect for stores, but not (necessarily) for the consumers! We offer stores advice on how they can minimize these consequences.

### CAN MIMICS MARKET?

*Tanya Chartrand and Rob Tanner*

Previous research has shown that having one's gestures, mannerisms and postures mimicked by other people leads to empathy, liking and smooth interactions (Chartrand & Bargh, 1999). We sought to extend this to the marketing domain to see whether mimicking customers can lead to greater sales. In a first study, a "salesman" of a fictitious sports drink (who was part of the study) either mimicked the "customer" (the participant in the study) or not. Participants who were mimicked by the salesman drank more of the sports drink, reported liking it more, and responded that they intended to buy the product more than those who were not mimicked.

### LET US EAT AND DRINK, FOR TOMORROW WE SHALL DIE (ISAIAH XXII.13): MORTALITY SALIENCE, SELF-ESTEEM, AND CONSUMER SELF-REGULATION

*Rosellina Ferraro, Baba Shiv and Jim Bettman*

After 9/11, there were reports of people going off their diets. We (Rosie Ferraro, a Fuqua marketing Ph.D. student, Jim Bettman, a Fuqua marketing faculty member, and Baba Shiv, a former Fuqua marketing Ph.D. student, now a faculty member

at Iowa), hypothesized that such behaviors may result when people think about their own mortality. Using a psychological theory about mortality salience called terror management theory, we examined people's choices of healthy (fruit salad) vs. unhealthy (chocolate cake) snacks at the end of a study. We found that men in all conditions and women for whom mortality was not made salient chose cake about 40 percent of the time. However, when mortality was made salient, women with low body esteem chose cake about 95 percent of the time, whereas women with high body esteem chose cake only about 20 percent of the time.

*You can find a complete listing at the marketing area web site: <http://faculty.fuqua.duke.edu/areas/marketing/>*

