Dear Colleague,

Department of Marketing is the newest department at Lehigh University; it is just completing five years on June 30, 2010. We now have 10 faculty members including 7 tenured/tenure track faculty (both of these are the highest numbers in the recent history of the Marketing Program at Lehigh). I am proud of the collective accomplishments of our faculty. We graduate some 65-75 undergraduate marketing majors every year. In addition to offering an up-to-date, rigorous, and relevant curriculum for our students, the collective accomplishments and visibility have significantly enhanced our external reputation in academia.

I am pleased to present the research accomplishments of faculty members in the Department of Marketing for the academic year 2009-2010. As you will read in the following pages, my colleagues are committed to addressing exciting research questions that expand the frontiers of knowledge in managerially relevant domains. They incorporate knowledge areas from several other disciplines and the impact of their research also crosses disciplinary boundaries. We seek out areas of common interest and potential collaboration with colleagues from other departments at Lehigh and beyond.

We look forward to hearing from you.

With best regards,

K. Sivakumar
Arthur Tauck Chair, Professor of Marketing, and Chairperson
Department of Marketing

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MARKETING AT LEHIGH
Student-Focused • Research-Oriented

June 2010

Email: marketing@lehigh.edu
PUBLISHED OR ACCEPTED ARTICLES (PLEASE SEE ABSTRACTS LATER IN THE REPORT)


BOOK CHAPTERS AND REPORTS (INVITED)


CONFERENCE PRESENTATIONS (PLEASE SEE ABSTRACTS LATER IN THE REPORT)


Nevena T. Koukova (Co-authors: Joydeep Srivastava and Martina Steul) (June 2010), “The Effect of Shipping Fee Structure on Consumer Evaluations of Online Offers,” INFORMS Marketing Science Conference, Cologne, Germany.


INVITED PRESENTATIONS


CONFERENCE/SESSION ORGANIZATION

Deepa Chandrasekaran (February 2010), Organizer, Special session on “Innovation Dilemmas, Actions, and Consequences,” at the American Marketing Association’s Winter Marketing Educators Conference

Beibei Dong (August 2009), “How to Manage Your Campus Visits,” co-chaired and participated in panel discussion at the special session on “How to Prepare and Succeed in the Marketing Academia Job Market,” at the American Marketing Association Summer Educators’ Conference, Chicago, IL.

K. Sivakumar (February 2010), Organizer, Chair, and Moderator of the special session on “(Re)Designing Marketing Curriculum and Education for the Changing World,” at the American Marketing Association Winter Educators’ Conference, February 2010.

PROFESSIONAL LEADERSHIP

K. Sivakumar, Vice President (Academic Affairs), Product Development & Management Association, 01/2008-12/2009. This is an international, interdisciplinary organization with some 3500 members.

ABSTRACTS OF PUBLISHED/ACCEPTED PAPERS


What is the relationship between attribute tradeoff decisions at the time of purchase and emotional content of the consumption experience? This article offers a comprehensive overview and an enhanced model of the possible forms of this relationship. It sets forth new insights into negative post-consumption emotions in an integrated manner with prior work on attribute tradeoffs and positive emotions. The primary insights this research provides are as follows: (1) a negative experience with the choice of a product with superior utilitarian and inferior hedonic benefits (e.g., a highly functional cell phone with poor attractiveness) over a product with superior hedonic and inferior utilitarian benefits evokes feelings of sadness, disappointment, and anger, (2) a negative experience with the choice of a product with superior hedonic and inferior utilitarian benefits (e.g., a highly attractive cell phone with poor functionality) over a product with superior utilitarian and inferior hedonic benefits evokes feelings of guilt and anxiety. Further, an enhanced model is presented that integrates the results for four new negative post-consumption emotions with the results from replication of prior work on positive emotions and consumer behavior. Finally, the research shows that positive and negative emotions impact customer loyalty. The article discusses the theoretical contribution and strategic insights the research provides for product designers and marketers.


Customers’ preference for hedonic benefits (e.g., aesthetics) and utilitarian benefits (e.g., functionality) offered by a product varies depending on the context—buying versus selling and choice versus willingness-to-pay. However, a customer’s preference formation involves brand and price information in addition to the benefits offered by the product. It is unclear how the consideration of brand and price information influences customers’ relative preference for hedonic and utilitarian product benefits. Does this information alter preference in favor of a product that offers greater utilitarian or greater hedonic benefits, and why? Results from this research show that, 1) consumers assign relatively greater weight to hedonic benefits and lesser
weight to utilitarian benefits in forming product preference when the product is associated with a stronger brand versus a weaker brand or no brand information; and 2) consumers assign relatively lesser weight to utilitarian benefits and greater weight to hedonic benefits in forming product preference when they consider price information versus no price information. The article concludes with a discussion of the theoretical and managerial implications of the findings for product designers and marketers.


The decision to engage in music piracy may be preceded by consumer consideration of a wide range of issues. In this paper, we investigate the determinants of such piracy as embedded in a large matrix of acquisition-mode decision factors relevant to exchange theory, including economic, legal, ethical and consumer behavior aspects. This matrix depicts a number of interrelated factors and makes assessing the decision-making process regarding music piracy more contextual than previously considered. An empirical study of 204 American business students was conducted to test this matrix and the impact of the various factors was assessed. Implications for the issue of music piracy and future research regarding this decision-making matrix and exchange theory are provided. The significant factors predict whether or not exchange takes place between music consumers and the music industry.


This research i) examines how specific consumer motives (i.e., goal directed: searching for information, experiential: browsing for recreation) influence the trusting belief-loyalty relationship at a web site in a distinct manner and ii) investigates how the online flow experience in each of the motive states strengthens or weakens the trusting belief-loyalty relationship. The results suggest that the relative influence of specific trusting beliefs on loyalty varies based on the consumers’ motives for visiting the web site. For consumers with an experiential motive, benevolence and integrity related beliefs were the key drivers of loyalty, while ability related beliefs were not. On the other hand, for consumers with a goal directed motive, the ability and integrity related beliefs were the key drivers of loyalty, while benevolence related beliefs were not that influential. Further, this research illustrates that when consumers with an experiential motive have a satisfying experience at a web site (i.e., high level of flow) the impact of the trusting beliefs on loyalty weakens. However, for consumers with a goal directed motive, the trusting beliefs continue to exert the same impact on loyalty across both high and low levels of flow.


This research examines the role of suspicion in moderating the effect of psychological factors on satisfaction with bargaining outcomes. A suspicious mindset is induced by activating persuasion knowledge or the extent to which bargainers have knowledge about a psychological factor and recognize its potential persuasive influence. The results of four studies suggest that while time taken by an opponent to respond (studies 1a and 1b), opponent providing a reference price that frames the outcome as a gain (study 2), and opponent expressing unhappiness with an outcome (study 3) increase satisfaction with bargaining outcome when bargainers’ persuasion knowledge is not activated, these factors are rendered ineffective in increasing satisfaction when persuasion knowledge is activated. This research activates persuasion knowledge in three different ways (through priming, altering opponent’s description and providing an opportunity for gaming) and demonstrates that it is sufficient to induce a suspicious mindset that allows the associated defense mechanisms and coping strategies to guard against influence tactics.

This article focuses on an important issue in brand choice: Is loss aversion for quality greater than loss aversion for price, or vice versa? Using existing research findings as a starting point, the study shows that it is important to use a common metric before reaching conclusions about the role of relative loss aversion for price and quality on a dependent variable of interest. Based on this procedure, the article reexamines the conclusion on the relative loss aversion for price and quality from existing research. In addition, using numerical simulations, the article illustrates some boundary conditions of the relative magnitudes of loss aversion for price and quality. Managerial and research implications of the findings are delineated.


This study is in the domain of marketing strategies of multinational firms. Specifically, it focuses on target market selection of multinational firms. Using the CAGE (cultural, administrative, geographic and economic) distance framework proposed by Ghemawat (2001), the authors offer empirical support for the role of different distance factors on firms’ foreign market acquisition behavior. In addition, they examine the moderating role of market potential of a target country on the relationship between distance factors and target market selection. The context of our study is multinational firms from developing countries.


This study examines the role of non-price variables in inter-tier competition (low-tier versus high-tier brands). Specifically, we examine the asymmetric impact of non-price variables, such as features, displays and prior product experience, on brand choice between tiers. Prior research has established that high-tier brands benefit disproportionately from price promotions. From an analysis of scanner panel data for two product categories, we show that low-tier brands benefit disproportionately more than high-tier brands from enhancements in non-price variables.


The globalization of markets and business operations is a trend that will continue strongly in the coming decades. One inescapable aspect of globalization has been the trend toward global outsourcing, especially that of knowledge-based services. Due to firms’ compulsion to reduce costs in the developed world, the issue is not if a particular firm will outsource or offshore work but when it will outsource it and how effectively it will leverage outsourcing to achieve superior competitive performance. An important implication of the outsourcing of knowledge-based services is the management of intellectual property (IP). Managers and researchers alike are interested in understanding the effects of global outsourcing of knowledge-based services on the management of IP. This research tries to extend current academic research on global outsourcing in at least two ways. First, it offers a framework to understand the management of the buyer–seller relationship in the global outsourcing of knowledge-based services and its relationship to the management of IP and innovation generation. Second, the framework takes a broader perspective of outsourcing and innovation generation, including globalization; knowledge-based services; and the accessing, exploitation, and defense of IP. Managerial implications of this research and future research directions are also discussed.

The purpose of this article is to examine the phenomenon of innovation generation in a firm’s upstream and downstream business relationships. The study considers the role of knowledge redundancy and relational embeddedness on the generation of radical and incremental innovations. The study further considers the moderating role of complexity and globalization on the link between the independent variables and innovation generation. By deriving several theoretically sound and managerially useful propositions, this research advances knowledge in the business-to-business and innovation generation domains and offers insights for managerial practice.


Increasing globalization and the rapid growth of information technologies, including the Internet, have resulted in drastic changes in international activities of companies. Once limited to manufactured goods, currently, global outsourcing encompasses a wide variety of knowledge-based services, such as accounting, financial services, taxation, customer service, information technology, engineering drawings, human resources, research and development (R&D), data processing, and sales. The domain of outsourcing knowledge-based services is the focus of this article. Moving beyond the inevitability of global outsourcing, this research takes the perspective of the outsourcer and focuses on managing its transition to providers in the context of innovation. In addition to delivering projected cost benefits to outsourcers, effective transition management can facilitate the generation of innovations. This research attempts to extend the current academic research on global outsourcing in three ways: (1) It offers a framework for understanding the transition process in outsourcing and its relationship to innovation; (2) it takes a broader perspective of outsourcing, including globalization, knowledge-based services, and core activities of the firm; and (3) using a parsimonious set of theoretical concepts based on control theory, it develops several research propositions to clarify the linkages between variables. Based on our theorizing, outsourcing top management should ask two questions when planning outsourcing of knowledge based services to generate innovations in a globalized world. These two questions are (1) How close is the task to our core competence? And (2) How much tacit knowledge is involved in doing the outsourced task? Next, managers must identify global providers and then spend considerable thought in operational execution of the transition of the task for that is the only time that both complete teams will work together. For tasks that are close to core competence, rigid-explicit behavioral controls should be put in place; however for tasks that have high tacit knowledge content, high norms based relational control would be more effective. These different types of controls would lead to different innovation outcomes. Rigid-explicit behavioral controls would produce incremental innovation while relational-norms based controls would encourage radical innovation.

**ABSTRACTS OF CONFERENCE PRESENTATIONS**


This research contributes to our understanding of consumer learning through analogies by examining when and why two functionally-related analogy cues can, together, help consumers unearth a product’s functionality and, thus, influence preference for it. In particular, we draw on the process of analogical encoding to show, through three experiments, that a far pair of analogy cues, by facilitating more abstract thinking, is more effective than a near pair at helping consumers elucidate product functionality. This superior knowledge transfer, however, does not necessarily lead to greater preferences because consumers’ inability to categorize the new product in the far scenario undermines their superior comprehension, lowering their confidence and, consequently, preferences. When this confidence-lowering uncertainty is alleviated, consumers’ preferences are more directly aligned with their product interpretations.

In a recent marketplace poll (Cone 2007), 87% of consumers said that they are likely to switch from one brand to another if the other brand is associated with a good cause. However, whether or not CSR products have an advantage at the checkout continues to remain in doubt. This research suggests that while consumers react favorably to abstract, aspirational aspects of a product such as its CSR record when considering purchases in the distant or unspecified future (e.g., marketplace polls), the influence of such information on purchases is more muted in the near future (e.g., point of purchase).


As marketers spend significantly to enhance the aesthetics and sophistication of consumer experiences, they are increasing the complexity of interactive consumption environments (e.g. web sites). However, little is known about how consumers react to such complexity, in terms of their evaluations. In this research, we examine two specific types of complexity: Structural Complexity is defined as the number of distinct cues at the web site that the consumer has to process, and Outcome Complexity is defined as the abstractness of icons and symbols that the consumer uses to navigate the web site. We focus on consumer motivations, to analyze if complexity will lead to negative or positive outcomes at a web site.


Thoughts about future events, experiences or behaviors may determine present actions. For example, positive expectations about one’s likelihood to lose weight increase successful performance. In this research, we investigate the effect of form of thinking about the future (expectations and fantasies) in the context of advertising messages. We demonstrate that message valence moderates the effect of form of thinking about the future on brand evaluations and behavioral intentions. In addition, we show that the effect is driven by the differential motivation to act induced by the thought forms. Finally, we propose a boundary condition for the observed effect.


We investigate how consumers respond to two shipping fee structures – a flat fee charge and a free shipping threshold. Building upon the reference point and fairness perceptions literature, we demonstrate that offer evaluations and choice vary systematically with the shipping fee structure employed. We demonstrate that the free shipping threshold serves as a reference point, and consumers evaluate the offer relative to it. When an alternative reference point is provided, the free shipping threshold does not play a role anymore. We also show that the free shipping threshold may act as a goal for consumers, affecting offer evaluations and choice.

Nevena T. Koukova (Co-authors: Joydeep Srivastava and Martina Steul) (June 2010), “The Effect of Shipping Fee Structure on Consumer Evaluations of Online Offers,” INFORMS Marketing Science Conference, Cologne, Germany.

Does shipping structure affect consumer evaluations of online offers? While threshold-based free shipping increases evaluations of offers above the threshold for free shipping, flat rate shipping improves evaluations...
of offers below the threshold. Perceived fairness mediates the observed effects. Providing an alternative referent or shipping structure justification attenuate consumer evaluations.


This article examines the factors that influence the financial performance of global strategic alliances. In particular, the authors focus on how the national cultural distance between the partner firms influences the financial performance of the focal firm. In addition, the authors examine the moderating roles of three important alliance characteristics—alliance expertise, repeated partnering, and strategic dependence—on the culture–performance link. The authors test the research hypotheses longitudinally over a 20-year period using a sample of global strategic alliances in the pharmaceutical industry. Finally, the authors provide managerial implications and directions for further research.


One explanation for the phenomenon of asymmetric inter-tier competition is based on the notion of price–quality trade-offs. In this article, we extend the framework to derive new results for differential pricing strategies for brands in different tiers and demonstrate these results for different market configurations. The article makes two unique and important contributions. First, the article derives and demonstrates several pricing strategy implications that are useful for academic researchers and marketing managers. Second, this research extends the theoretical explanation to realistic market configurations consisting of more than two brands.

TENURE TRACK MARKETING FACULTY

Deepa Chandrasekaran, Assistant Professor of Marketing  
New products, Global Marketing Strategy, Consumer Innovativeness, Innovation, Response Biases, and New Product Development

Ravi Chitturi, Associate Professor of Marketing  
Technology and Innovation, Design and Consumer Emotions, Brand Value & Marketing Strategy

Beibei Dong, Assistant Professor of Marketing  
Customer Co-production/Co-creation and Service Innovation, Service Failure and Recovery, Global Marketing Strategy and Entry Mode.

Reetika Gupta, Assistant Professor of Marketing  
Complexity in Interactive Consumption Environments, Consumer Learning of New Products, Corporate Social Responsibility

Nevena Koukova, Assistant Professor of Marketing  
Pricing, Bundling, Digital Products, Consumer Decision Making

James Maskulka, Associate Professor of Marketing  
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