Index

Aaker, David A. 34, 157, 171, 283
Abarbanell, Jeffery 274
Abela, A.V. 230, 235
abnormal returns 139–43, 257–8, 284
buy-and-hold type (BHARs) 142
calendar-time portfolio type (CTARs) 142–3
cumulative (CARs) 140–41
long-term 141–3
Abrahamson, Eric 286
accountability 235–7
acquisition rate (of customers) 21–2
advertising 26, 190, 193, 255
reporting of expenditure on 110–11
agency theory 186, 285–6
Agrawal, J. 187
Ailawadi, K. 163, 172, 207, 217
Albert Heijn (company) 238
Amazon.com 30, 129
Ambler, T. 190
American Customer Satisfaction Index (ACSI) 20–21, 47–8, 112–13
Amisano, Gianni 52
Anderson, E.W. 160, 260
Anderson, T.W. 256
Apple Inc. 150, 164–5, 214
Arellano, Manuel 288
Asda (company) 209
aspirational value 29
asset-backed securities 149
Association for Investment Management and Research (AIMR) 119
Austin, D.H. 135
automobile industry 301–2
autoregressive serial correlation 59
Bahadir, S.C. 178
Bank of America 31
Barnbulescu, A. 186
Barth, Mary E. 34, 172–3
Beneish, Messod D. 275
Bergstresser, Daniel 275
Berman, Barry 304–6, 308
Bharadwaj, S.G. 113, 172
Bhattacharya, C.B. 34, 180
Billett, M.T. 105
Blattberg, R.C. 88
Blundell, R. 133
BMG Music Service 31
Boardroom Project 122
Bodnar, G.M. 239
Bolton, Patrick 253
Bond, Stephen 288
Bonfrer, A. 86
bonuses, managers’ 275
book value of a firm 31
Bosch, J.-C. 177
Boston Consulting Group 131
brand alliances 186–7
brand attitude 171
brand-building tools 190–94
brand distinctiveness 171
brand equity 20, 34, 157–63, 166–74, 194, 269
customer-based (CBBE) 161–2, 166–72
financial-based (FBBE) 163, 172–4
market-based (MBBE) 162–3, 172
metrics for 157–61
‘milking’ of 283
brand extension 184–5
brand loyalty 162
brand management 180
brand orientation 179
brand perceptions 75–80, 83–4
brand strategy 174–81, 188–90
‘brand thrust’ (Ohnemus and Jenster) 179–80
branding 66–7, 155–96
effect on a firm’s value 155–6, 164–6
research on 166–74, 195
socio-cultural view of 165
strategy for 181–90
brands-as-assets 164–5, 194

315
brands-as-information 165–6, 194
Bridgestone Corporation 293, 302
Bromley, P.  297, 302
Brown, S.J.  141
Buhl, H.U.  89
Busch, P.S.  177–8
Bushee, Brian J.  276
business model innovation 130–31, 149
buy-in by employees 38
Cadbury plc 66
Campbell’s Soups 136
capital asset pricing model (CAPM) 92, 97
capital market expectations of firm performance 273–5
Capital One (company) 9
Carhart, Mark M.  47–8
cash flow stability 92
cash flow volatility 238–9
celebrity endorsements 187
cellular phone industry 25
‘certainty equivalent’ approach to adjustment of cash flows 97
Chakravarty, Anindita 282
change, employee resistance to 38
changes in firm value, measurement of 257–8
channel coordination 214–19
channel intensity 211–13
Chapman, Craig J.  282–4
Chemmanur, Thomas 249–51, 255
Chen, Yubo 296, 301, 305–10
Chevalier, Judith A.  27, 254
China 295–6, 311
churn 9–10, 24–5, 30, 36
Cisco 273
Coca-Cola (company) 214, 269
Cohen, Daniel 250, 269
colinearity, treatment of 53
compensation packages of managers 275–6
competitive advantage 109
Comstock, B.  227
conditional multiplier valuation analysis 67–85
practical example of 81–3
conjoint analysis 20
Conroy, M.E.  90
Consumer Protection and Safety Commission (CPSC) 295–7, 301, 304, 307
contract relationship management 238–40
Cool, K.  108
Cooper, M.J.  177
cooperation, cross-functional 232
corporate social responsibility (CSR) 174, 180–81, 296–7, 301, 311
Corsten, D.  216
Coughlan, A.T.  211
cross-selling and cross-buying 29–30
current period earnings, motivations for inflation of 271–6
customer acquisition 18, 21–2, 29, 35, 37
customer beta 99–100, 104
customer brand value (CBV) 19
customer-centric firms 38
customer defection see churn
customer equity (CE) 17–18, 33, 86–9
maximization of 28
customer equity share (CES) metric 18
customer lifetime value (CLV) 16–17, 19, 21, 24–5, 28, 33, 36, 86–90, 104, 237
and risk 89, 96–8
customer loyalty 269–70
customer metrics 9–28
agenda for future research on 38–9
definitions of and contexts for 12–15
implementation of 37–8
linked to performance 11, 31–7
need for 9
strategic implications of 28–31
customer portfolio analysis 100–104
application of 100–102
limitations of 102
customer portfolios 95–104
as distinct from financial portfolios 95, 103–104
efficiency of 96–102
risk-adjusted 94
steps in development of 103
customer referral value (CRV) 27–8, 36
Index 317

customer relationship management (CRM) 25, 29, 240, 282
customer retention 18, 22–4, 29, 35, 37, 171
  backward-looking metrics on 23–4
  forward-looking metrics on 24
customer reward ratio 100
customer satisfaction 20–21, 34–5, 47–8, 55
customers, relationship-oriented and transaction-oriented 90
  Daniel, K. 142
  Davenport, T.H. 130
  David, Parthiban 137
  Davidson, Wallace 303
  Debrowski, Thomas A. 296
deceptive marketing 311–12
de Chow, Patricia M. 275
  De Fanti, M.P. 177–8
  Dekimpe, Marnik 56
  Dell (company) 284
de Miguel, V. 92
  De Ruyter, K. 232–3
  Dhar, R. 89, 94
  Dholakia, U.M. 27
  Dierickx, I. 108
‘direct valuation’ of enterprises 68
disclosure of marketing information 108–23
  antecedents of 114–16
  challenges associated with 109–11
  characteristics of 109, 116–18
  costs and benefits of 112–14, 118–19
  definition of 108
  effects of 121
  methodological issues related to 119–20
  standards applying to 121–3
discounted cash flow (DCF) valuation analysis 68–70
distribution channels, design of 204–21
  performance measures for 206–7
  shareholder value measures for 207–11
  see also channel coordination; channel intensity; multichannel distribution
diversification of portfolios 91
dot-com companies 37, 177
dowdell, T. 302
  Doyle, P. 164
  Drèze, X. 86
  Dutta, S. 110
dynamic systems models of marketing 49–51
earnings management 272–5, 282, 286
economic value-added 33
  efficient consumer response (ECR) 216
  efficient market hypothesis (EMH) 45, 141, 219, 255, 308
  ‘efficient portfolio’ concept 91–2
  Elberse, A. 187
  endogeneity, treatment of 17, 286–8
  Eng, L.L. 119
  Engle, R.F. 105
  Enron 149
  environmental impacts on the value of information 137–8
  Environmental Protection Agency 296
equity see also brand equity; customer equity
  equity finance 244–5 see also initial public offerings; seasoned equity offerings
  E*Trade (company) 37
  event study methodology 48–9, 207, 298, 303, 307–8
  exchange traded funds (ETFs) 149
  exclusivity in distribution 211–13
  Fama, Eugene 47–8
  Farris, P. 217
  finance function see marketing-finance interface
  Financial Accounting Standards Board 270
  financial policy, corporate 244–61
  and marketing strategy 245–7
  financial portfolio theory 86–105
  Financial Reporting Release 44 (FRR 44) 109
  Fiorina, Carly 81, 84
  Firestone (company) 173–4, 302
Food and Drug Administration (FDA) 296, 301
Ford (company) 173–4, 217, 302
forecast error variance decomposition (FEVD) 56–7
generalized 57–8
Fornell, Claes 34, 48
Foster, G. 303
franchising 210
French, Kenneth 47–8
Freo, Marzia 52–3
Fresard, Laurent 254
Frieder, L. 114, 171
Friedman, Milton 219
Friege, Christian 25
Fu, Fangjian 251
futures contracts 239
Garmaise, Mark J. 244
General Electric 227, 230
General Mills 164
generalized autoregressive conditional heteroskedasticity (GARCH) models 58–61
Geyskens, L. 208–9, 213
Ghosh, M. 206
Giannini, Carlo 52
Gielens, K. 209
Gillet (company) 66
Gilt (company) 31
Glazer, R. 89, 94
global financial crisis (2008) 92
Godes, David 27
Go-Gurt yogurt 150
‘goodwill’ 301
Govindaraj, S. 173–4, 302
Graham, John R. 276
‘green’ products 218–19
Greenhalgh, C. 132
Grewal, R. 209, 213, 282
Grinaker, R. 111
Grullon, G. 114
Guidry, Flora 275
Gunny, Katherine A. 269
Gupta, Sunil 18, 33–5, 37, 93, 171
Hanssens, Dominique M. 43, 45, 56–7, 233
Hauser, John R. 283
Heckman, James 306
hedging 239
Heeley, Michael B. 136
Heinrich, B. 89
heteroskedasticity, treatment of 58–9
Hewlett-Packard 81–4
Hirschey, M. 177
Hoeffler, S. 162
Hoffer, George 301
Hogan, J.E. 94, 97
Homburg, C. 88–9, 229, 234
Honey Baked Ham (company) 30
Hooker, Neal 302
Horsky, D. 177–8
Hoskisson, Robert E. 136
Hsiao, Cheng 256
Hsu, L. 189
Hulland, John 252–3, 257, 259, 283
Hyman, M.R. 233
hysteresis 56
IBM 88, 92–3
impulse response functions 53–8
generalized 57–8
‘infomediaries’ 120–21
information asymmetry 285–6
information technology (IT) companies 86
initial public offerings (IPOs) 247–53, 259–60, 272
innovation 129–51
definition of 130
in financial products 148–9
generation of 134–5
metrics for shareholder value of 138–43
radical or incremental 133–4, 136
research on 143–51
shareholder value created by 129–31, 135–8
stages in process of 131–3
institutional investors 137
instrumental variables, use of 287–8
intangible assets 44, 75, 84–5, 109–10
intangible value of a firm 112–13, 210
integration, interdepartmental 233–4, 240
Interbrand 20, 163, 172–3
internal rate of return 33
Internet-based distribution channels 208–9
inter-purchase time 30
investment uncertainty 96
iPad 165, 214
iPhone 164
iPod 150

Jaffe, Jeffrey F. 258
Jain, Bharat A. 251
James, D. 220
Jarrell, Gregg 297, 301–2
Jayachandran, S. 186
Jensen, O. 234
Jenster, P.V. 179
Johnson, M.D. 88–9, 97
Johnson & Johnson (company) 66, 173
Kahn, K.B. 233
Kalaignanam, K. 134
Kalwani, M.U. 215
Kamakura, W.A. 187
Kamir, S. 178
Keating, John W. 52
Keller, K.L. 161–2, 165
Kellogg’s (company) 165
Kerin, R. 155, 173
Khanna, Naveen 254
Kim, H.B. 172
Kini, Omesh 251
Kittel, C.R. 187
Kochbar, Rahul 137
Kovens, Dan 254
Kozinetz, Robert V. 27
Kraft (company) 66, 294
Krasnikov, A. 181–4
Kumar, N. 205, 216
Kumar, V. 17, 27, 33–7, 88, 237
Kundisch, D. 89
Kurt, Didem 252–3, 257, 259, 283
Lacey, N. 150
Lande, P.S. 90
Lane, V. 185
Lee, P.M. 177
Lee, R.P. 209, 213
Leeflang, P.S.H. 225–30
Lehavy, Reuven 274
Lehmann, Donald R. 18, 155, 161, 234–5
leverage, financial 254, 259–60
leveraged buyouts (LBOs) 260–61
leveraged recapitalization 254
Lewis, Michael 33
licensing of trademarks 185–6
Lodish, Leonard 269, 283
Lohr, S. 92
‘long purse’ theory of predation 153–4
Loughran, Timothy 251
Louis, T.A. 187
Louis, Henock 272
Luo, Xueming 23, 61, 180, 232, 248–9, 255, 261
McDonald’s (company) 217
McGovern, G.J. 225
McKenzie, Andrew 303
McWilliams, Abigail 303, 308
Madden, J.T. 173
Mahajan, V. 178, 225
Mak, Y.T. 119
managerial myopia 285–6
Mandelker, Gershon 258
Mansi, Sattar A. 260
Marcus, A. 297, 302
market capitalization of a firm 31, 33, 35
market-to-book ratio 31
marketing
  declining role of 225, 244
  top management view of 230–31
marketing assets 61
  pricing of 46
marketing-finance interface 225–41
  and equity offerings 247–54
  channel perspective on 238–9
  contingency theory of 261
  customer perspective on 237–8
  different thought worlds at 234–7
  research on 254–5, 260–61
marketing investments
  measurement of 255–7
  value-increasing role of 259
Marketing Measurement Audit
  Protocol (MMAP) 122
Marketing Science Institute 235
Markovitch, Dmitri G. 51, 273
Markowitz, H.  99
Mathur, I.  233
Matsa, David A.  254
Mattel (company)  293, 295–6, 311
Mayzlin, Dina  27
Mela, Carl M.  269, 283
Mentzer, J.T.  233
Merck (company)  294
mergers and acquisitions (M&As)  
174, 178–9, 273
Merrilees, B.  179
Merton, R.C.  60
mispricing  44–6
definition of  45–6
need for research on  61–2
Mitchell, M.L.  173
Mizik, Natalie  54–5, 171, 173, 249–51, 256, 258, 272, 282–4
Moenaert, R.K.  233–4
monopoly  148
Mooi, E.A.  206
Moorman, Christine  227–30, 235, 282
Morgan, N.A.  180, 188
multichannel distribution  213
multiplier-based valuation analysis  
67–76
extension taking account of brand perceptions  75–6
naming of companies  174–8
Narayandas, N.  215
Nath, P.  225
National Highway Traffic Safety Administration  296
negative word-of-mouth (NWOM) information  61
net present value (NPV)  33, 68
net promoter score (NPS)  26–7
Netflix (company)  31
new products
announcements of  112, 133
development processes for (NPD processes)  129–33
failure of  150–51
Ohnemus, L.  179
Oliver, Richard L.  20, 162
online communities  26–7
open innovation  134–6, 149
organizational culture  174
Osinga, C.E.  193, 312
O’Sullivan, D.  230, 235
overpricing  45–6
Pakes, Ariel  132
Palmatier, R.W.  216
Park, Choelsoon  286
partnerships of manufacturers and distributors  215–16
past customer value (PCV) metric  
23–4
patents, value of  132–8
Pauwels, Koen  53, 55, 57
Peltzman, Sam  297, 301–2
Pennings, J.M.E.  239
Pepsi-Cola (company)  214, 217
Perry, S.  111
personal motivations of managers  
275–6
Peterson, David R.  302
Pfizer (company)  66
Philip Morris (company)  217
Philippon, Thomas  275
Phillips, Gordon M.  254
PlaySkool  293
portfolio strategy see brand portfolio strategy
portfolio theory  45–6; see also financial portfolio theory
power in distribution channels  217–19
price premium for a brand  162–3
price promotions  29
process innovation  130, 149
Procter & Gamble  66
product-centric firms  38
product-harm crises  293–312
firm strategies before, during and after  304–8
impact on firm value  297–304
reasons for increase in  295–6
research opportunities offered by  
311–12
role of the media in  310–11
product innovation  130–31
product recalls  293–8, 301–10
consumer and investor responses to  
308–10
management of  306–8
proactive strategies for  309–10
profitability, differences in  75–8, 83
Index

Progressive Insurance (company) 9
propensity-to-quit models 25
prospect theory 273
Pruitt, Stephen W. 302

radio frequency identification (RFID) tags 218
Rangan, S. 250
Rao, A.R. 189
rationality of markets and rational expectations 219–20
real activities management (REAM) 269–88

demonstrated in academic literature 277–81
performance consequences of 283–4
recency-frequency-monetary (RFM) metric 23
‘reference portfolio’ approach to abnormal stock returns 257–8
referral of customers 26, 30–31, 36
Rego, L.L. 160, 188
relationship equity 19
‘relative valuation’ of enterprises 68
rents, economic 139–40
research and development (R&D) expenditure 132, 276
reporting of 110–11
research and development (R&D) intensity 114, 136–7, 151
restricted impulse response functions 53
retail buying groups 217–18
retention rate for customers 22–3
return on investment (ROI) 33

revenue premium for a brand 163
risk 58, 86, 104

cost of 195–6
and customer lifetime value 96–8
*idiosyncratic or systematic* 87, 160, 172, 180, 193–4

*upside or downside* 160, 172
risk–return profiles 91–2
Ritter, Jay 251
Rogers, M. 132
Roychowdhury, Sugata 269, 276
Ruekert, R.W. 233
Ryals, L. 89, 97

sales promotions 194
Salin, Victoria 302
Sarbanes-Oxley Act (2002) 269
Scharfstein, David S. 253
Schultz, D.E. 225
Schweidel, David A. 18
Scod, A. 132
seasoned equity offerings (SEOs) 247–53, 259–60, 272, 282–3
Securities and Exchange Commission (SEC) 178, 260, 269, 275, 284, 288
seemingly unrelated regression (SUR) estimation 54
segmentation of markets 86, 104–5
Self Care (company) 30
selling, general and administrative (SG&A) expenditure 110, 255
Selnes, F. 88–9, 97
Sethuraman, R. 155, 173
Shah, D. 33, 35, 37, 237
share-of-wallet (SOW) metric 23–4
share repurchases 261
Sharma, A. 150
Sharpe, W.F. 100
Shleifer, Andrei 286
Siegel, Donald 303, 308
Simon, C.J. 174
Sims, Christopher A. 53–4
Sloan, Richard G. 275

small firms
innovation by 135–6
spending on information technology by 86
Smith, Mark 310
Smith, N.C. 304–5, 307–8
social networking sites 26
Sorescu, A. 112, 134
Souder, W.E. 233–4
Spanjol, J. 134
Spencer, Fredrika 282
Srinivasan, S. 43, 45, 134, 193, 210
Srivastava, Rajendra K. 92, 164, 185–6, 253, 270
Standard and Poor’s (S&P) (company) 119
Stango, V. 187
Steenburgh, Thomas J. 282–4
stock options 275

Shankar Ganesan - 9781849806046
Downloaded from Elgar Online at 05/01/2019 03:37:35AM
via free access
Handbook of marketing and finance

stock return models 48–9, 216–17
stock volatility 58, 60–61
Strauss, Bernd 25
sub-branding 189
Subrahmanyam, A. 114, 157, 166, 171
Sullivan, M.W. 174
sustainability 218–19
Swyngedouw, P. 177–8
Tarasi, C. 100–101
Telco (company) 236
telecommunications industry 30
Tellis, G.J. 132, 136
Telser, Lester G. 253
Teoh, Siew Hong 250, 272
Thaler, R.H. 219
Thomsen, Michael 303
‘thought worlds’ 234–7
Tice, Sheri 254
time-series models of the impact of marketing 43–62
classification of 44
firm-level 48–58
portfolio-level 47–8
usefulness of 43
Tipton, Martha 312
Tobin’s Q. 31, 139–40, 209
Topps (company) 294
Toyota 165, 293, 311
trademarks 181–6
Tylenol 173
Uhlig, Harald 53
underpricing 45–6
Vakratsas, D. 190
value equity ratio 19
value-to-sales ratio 70–75, 78–83
V&S (company) 66
Vargus, Mark E. 275
vector autoregressive (VAR) models 49–51, 287
reduced-form 52–4
structural 52–3
vector error correction models 54
Venkatesan, R. 17
Verhoef, P.C. 225–33
Verleun, J. 187
vertical integration of distribution channels 214–15
Vishny, Robert W. 286
Walker, O.C. 233
Wal-Mart 209–10, 218, 254
Wang, Zijun 303
Warner, J.B. 141
Webster, F.E. 225, 227, 229
weighted average cost of capital (WACC) 16, 24, 97
Wetzels, M. 232–3
Wiles, M.A. 189–90
winback (of customers) 25–6, 30, 36
Wong, H.Y. 179
Woods, Tiger 187
word-of-mouth (WOM) communication 26–7, 30, 36;
see also negative word-of-mouth information
Worrell, Dan 303
Xerox (company) 275
Yan, An 249–51, 255
Young & Rubicam Brand Asset Valuator (Y&R BAV) 77, 81, 84, 171
Zara (company) 129
Zarowin, Paul 250
Zivan, David 307