

THE YALE Customer Insights CONFERENCE 2015

Agenda

Thursday, May 7th – Welcome Reception

6:00 pm to 8:00pm

Beinecke Room and Terrace, Evans Hall

165 Whitney Avenue
New Haven, CT 06511

Friday, May 8th – Day One

Zhang Auditorium, Evans Hall

165 Whitney Avenue
New Haven, CT 06511

8:00 – 8:40am Registration and Continental Breakfast (served in Ellis-Lorimer Commons)

8:40 – 8:50am Welcome remarks

Jim Firestone, President, Corporate Operations, Xerox Corp.

Chairman of the Yale Center for Customer Insights Board of Advisors

Session One: Driving Growth through Customer Understanding (8:50 – 10:30am)

8:50 – 9:30am

Millennial Disruption Index

Anne Hubert, Senior Vice President of Scratch, Viacom

Millennials sense of empowerment and appetite for change - in themselves and the brands and products they embrace - make them a powerful force for change in the commercial landscape. Decoding their shifting expectations and appetite for innovation is essential to any brand looking to stay relevant and avoid the wave of millennial disruption that has swept over so many industries. Our research over 3 years and more than 3000 respondents unpacks the underlying forces that make the difference between relevance and disruption in the Millennial marketplace.

9:35 – 10:00am

Facebook and the Shift to Visual Communication

Patrick Harris, Director, Global Agency Development, Facebook

Increased mobile access and more connectivity is changing the way people communicate. Thanks to advances in mobile technology, it's becoming easier than ever for people to point and shoot, share and

express themselves in visually vibrant ways with few words. Universal language increasingly consists of photos, emojis, stickers and videos. Patrick will share how the shift to visual communication is a powerful way for people and brands to get their point across without the barrier of language, and how Facebook is leveraging this new phenomenon.

10:05 – 10:30am

Why Do We Value Authenticity?

George Newman, Assistant Professor of Organizational Behavior and Marketing, Yale School of Management

Why do people value original artworks more than identical duplicates? What explains consumer demand for celebrity memorabilia or luxury products? This talk explores the psychological mechanisms underlying people's preferences for authentic objects. I will discuss the results of several empirical studies aimed at uncovering the key psychological factors, as well as broader questions surrounding the origins of this phenomenon.

10:30 – 10:50am Break (refreshments served in Ligon-Lamsam Commons)

Session Two: Sustaining Relevance in Physical + Virtual Worlds (10:50 – 12:35)

10:50 – 11:15am

Staying Relevant After 140 years

Linda Boff, Executive Director, Global Brand Marketing, GE

GE is one of the most valuable brands in the world, as well as one of the most venerable. Knowing that successful brands need to market in the year they live in, GE has adopted cutting edge digital, social and mobile marketing as powerful story-telling tools to stay contemporary and reach new audiences through their marketing.

11:20 – 11:45am

The Economic and Cognitive Costs of Annoying Display Advertisements

Daniel Goldstein, Principal Researcher, Microsoft Research

Annoying ads make money for websites (from ad revenue) but lose money as well (through user abandonment). It is easy to calculate the revenue but hard to calculate the costs. In this talk, we report on a field experiment we ran in an online labor market to estimate the cost of annoying ads. We found that the ads cost more money than they were worth.

Session Three: Digital and Sharing Economies – A Guided Discussion

11:50 – 12:35pm

Richelle Parham, former CMO, eBay & **Bob Adams**, Senior Director, Visa Inc.

Moderator: Beth Storz, President, Ideas To Go

In 2015, the digital and sharing economies are still in their infancy. As an increasing share of commerce shifts online, and resource-sharing startups such as Uber and Airbnb continue to disrupt long-established industries, significant questions are being raised about the impact these changes will have on our economic future. Ideas To Go President Beth Storz will lead a guided discussion where industry leaders

Bob Adams, Senior Director, Visa, and Richelle Parham, former CMO of eBay will address the rise of these economies, the consumer insights behind their growth, and the impact they will have on our culture.

12:35 – 2:00pm – Lunch (served in Evans Hall Courtyard)

Session Four: Capitalizing on the More Connected Customer (2:00 – 3:25pm)

2:00 – 2:25pm

Play and the Infectious Transmission of Native Advertising

John Deighton, Professor of Business Administration, Harvard Business School

In the decade since social media made spreadable content possible, the quest for insight into viral messaging has expanded from properties of the message to media properties. The popularity of native advertising suggests a third dimension, the management mindset. This talk suggests the power of playfulness, one that's not easily reconciled with the analytical mindset of traditional marketing management.

2:30 – 2:55pm

Are You in Control Enough to Let Go?

Monte Lutz, Global Head of PR, Activision

Communications is shifting from issuing press releases and broadcasting ads to driving discovery and empowering fans to help tell a brand's story. Activision has one of the top five YouTube brand channels, but fans and influencers create content that drives 100x more views about our games than the assets we produce ourselves. That's OK; in fact, it's a strategic imperative. There are too many channels to be everywhere, but fans are ubiquitous, and share content with each other. Influencers add cultural fuel to marketing, ignite audiences in authentic ways and extend meaning to creative ideas. Brands must assess reach and relevance to determine who and how to partner with content creators, influencers and superfans who are telling engaging stories about the brands and experiences they love.

3:00 – 3:25pm

Profiting from the Friendship Paradox in Social Networks

Vineet Kumar, Assistant Professor of Marketing, Yale School of Management

I describe a phenomenon known as the "Friendship Paradox," i.e. the idea that your friends have more friends (on average) than you have. We detail the structural origin of this paradox, and show how it can be applied in online social networks. Focusing on the Facebook network, I discuss how a product adoption process can be accelerated by leveraging the friendship paradox. Finally, I describe a couple of other applications of the friendship paradox.

3:25 – 3:45pm Break (refreshments served in Ligon-Lamsam Commons)

Session Five: The Impact (and Value) of Disruptive Innovation (3:45 – 5:15pm)

3:45 – 4:10pm

All Screens Are Not Created Equal: The Power of Interactive Content

Ossa Fisher, Chief Marketing Officer [Incoming], Istation

In an increasingly digital world, childhood and student behaviors are changing rapidly. Smartphones and tablets are becoming every child's 'passport' to new adventures. What can "digital natives" tell us about technology's impact on attention span, memory and motivation?

4:15 – 4:40pm

Breaking the Incumbent's Curse: How to Create a Culture for Unrelenting Innovation

Gerry Tellis, Professor of Marketing, USC Marshall School of Business

Technologies are evolving at an ever increasing speed, transforming markets and propelling small entrants into global leaders. Missing a single radical innovation can mean rapid decline and death for an incumbent firm. However, success with innovation has its own perils. It can lead to complacency, lethargy, or arrogance, what the author calls "the incumbent's curse." The author will discuss how to break the incumbent's curse by creating a culture for unrelenting innovation. Such a culture relies on three traits: cannibalizing successful products, focusing on the future, and embracing risks.

4:45 – 5:15pm

It's no longer about B2C or B2B. We now live in a C2B world

Deepak Advani, General Manager of IBM Commerce

Do you truly understand your customers, anticipate their needs and engage with them in a personalized way at every touch point? In a recent IBM/eConsultancy study, 81% of the marketers said that they have a holistic view of individual customers and segments across interactions and channels. But their customers said otherwise - 78% of customers stated that the average brand doesn't understand them as an individual. This customer experience chasm is separating winners from losers. We now live in a C2B world where customers need to be at the center of the enterprise. In this session, you will hear from Deepak Advani on what successful C2B enterprises do every day to exceed expectations, drive brand advocacy and most importantly - win the hearts and minds of their customers.

5:15 – 5:30pm **Break**

5:30 – 6:00pm **Transportation to [ROIA](#)**

6:00 – 7:00pm **Cocktails at [ROIA](#) (261 College Street, New Haven, CT 06510)**

7:00 – 9:30pm **Dinner at [ROIA](#)**

Saturday, May 9, 2015 – Day Two

Class of 1980 Classroom (Room 2400), Evans Hall 2nd floor

165 Whitney Avenue
New Haven, CT 06511

8:30 – 9:00am Continental Breakfast (served outside of Class of 1980 Classroom)

Session Six: Advertising & Promotion (9:00 – 10:25am) Chaired by Professor Nathan Novemsky

9:00 – 9:25am

Location Is (Still) Everything: Why the Real World Matters for E-Commerce

David Bell, Professor of Marketing, Wharton

Conventional wisdom holds that the Internet makes the world flat by reducing the friction of the physical world on our buying habits. To the contrary, David Bell explains why the way we use the Internet is still largely shaped by the physical world that we inhabit—from our likelihood to buy jeans online, to our willingness to search for and consume information. With real-world examples and his GRAVITY framework, Bell illuminates how the real and virtual worlds connect, and what every online seller must know to succeed.

9:30 – 9:55am

Testing the Signaling Theory of Advertising: Evidence from Search Advertisements

Tat Chan, Associate Professor of Marketing, Washington University, St. Louis

Using a dataset obtained from a search engine, we test to what extent consumers are searching and advertisers are bidding and find supportive evidence for the signaling theory of advertising in literature. We find that advertisers can generate more clicks when competing against advertisers with higher match value, and offer an explanation for this finding based on the signaling theory.

10:00 – 10:25am

Geo-conquesting Mobile Promotions

Xueming Luo, Charles Gilliland Chair Professor of Marketing, Strategic Management, and MIS, Fox School of Business at Temple University

As mobile devices are ubiquitous, geo-conquesting mobile promotions that target consumers near a competitor's location may exploit the incremental sales for higher profits. Randomized field experiments suggest that competitive locational targeting showed increasing returns to promotion discount depth, indicating the presence of threshold effects. In comparison, own locational targeting showed decreasing returns to deep discounts, indicating saturation effects and the cannibalization of profits. Results also suggest that defensive promotions can effectively deter geo-conquesting offensive promotions, especially for high-value consumers. The spillover and pie-expansion effects indicate certain pricing benefits for the mobile platform. Geo-conquesting mobile promotions allow a retailer to maintain a presence anywhere – including on a competitor's doorstep.

10:25 – 10:40 – Break

Session Seven: Shopper Insights (10:40 – 12:05pm) Chaired by Professor Nathan Novemsky

10:40 – 11:05am

The Propelling Force of Beauty: Aesthetically Appealing Product Design And Purchase Effort

Martin Reimann is an Assistant Professor of Marketing at Eller College of Management at the University of Arizona

*Why are consumers willing to go to great lengths to purchase products with aesthetically appealing designs? This research provides empirical evidence that products high in aesthetics elicit two psychological responses—*instantaneous desire* (the sudden urge to possess the aesthetically appealing product) and *anticipated ownership pride* (the expected pride of being associated with such a product)—which in turn motivate consumers to expend substantial effort towards purchasing high-aesthetics products.*

11:10 – 11:35am

Modeling the Effects of Dynamic Group Influence on Shopper Preference and Purchase Behavior

Shibo Li, Associate Professor of Marketing and Weimer Faculty Fellow at the Kelley School of Business, Indiana University

To date, there is no research in the marketing literature examining the dynamic group influence on shoppers' purchase preference and purchase propensity over the course of the store visit. To fill the gap, we propose a dynamic linear model to capture this using a Hierarchical Bayes framework and a video tracking and transaction dataset from a specialty apparel store. We found that group influence has a significant impact on the shopper's intrinsic purchase preference formation and updating, and hence the dynamics of the shopper's purchase tendency. This study has important managerial implications to store managers in order to improve the customer's shopping experience, promotional efforts, sales management, and purchase conversion.

11:40 – 12:05pm

When and How Does Information Disclosure Reduce Calorie Consumption?

Oleg Urminsky, Booth School of Business, University of Chicago

We test the effects of calorie labeling on consumer decisions. Industry-standard low salience labeling (such as the "Clear on Calories" front of package labels) do not consistently change consumer choices. Highly visually salient calorie information does reduce the average calories chosen, but has similar effects as a non-informative prompt to consider calories, and can backfire when a seemingly healthy option is high in calories. We conclude that highly salient calorie information can reduce people's calorie choices, but often does so primarily by prompting consumers to think about nutrition, rather than by materially changing their knowledge.

12:05 – 12:20pm – Break + Boxed lunch

Session Eight: Marketing Strategy (12:20 – 1:20pm) Chaired by Professor Nathan Novemsky

12:20 – 12:45pm

Demand for “Healthy” Products: False Claims in Advertising

Anita Rao, Assistant Professor of Marketing, Booth School of Business, University of Chicago

Firms often make selective or deceptive claims in their advertising. Such claims can have negative consequences for consumers especially if consumers are not fully informed and the claims are hard to verify. This paper aims to measure the impact of such false claims on consumer demand and understand which type of consumer is most impacted by these claims. Using a panel dataset of consumer purchases and firm advertising at the ad-campaign-title level, we exploit the fact that four popular products settled charges raised by the Federal Trade Commission, leading to an exogenous discontinuation of the false advertising campaigns, to measure this impact. We further document firm responses in terms of price and advertisement changes around the date of the warning letter.

12:50 – 1:15pm

Investigating the Value of Competitive Mobile Loyalty Program Platforms for Intermediaries and Retailers

Joseph Pancras, University of Connecticut School of Business

We investigate the reasons behind differences in benefits obtained by retailers on the same competitive mobile loyalty platform. How are these benefits and the value added by the mobile intermediary affected by consumer search on the mobile platform, retailer location, and consumer response to reward design from multiple retailers? We identify two novel loyalty program factors, search on mobile platform and reward program design as the biggest drivers of reward redemption and store choice, and these are moderated by spatial locations of participating retailers. Mobile search in turn is influenced by retailer location, popularity, reward program design, and consumers' prior experience. These findings lead to counter-intuitive platform value implications for the retailers and the intermediary.

1:15pm – Closing remarks Professor Nathan Novemsky

1:20pm – Conference concludes