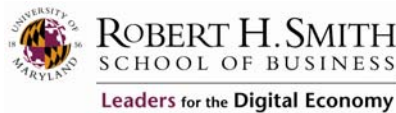


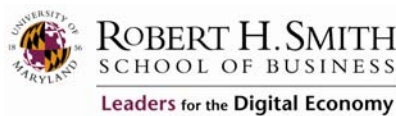
Technology and Research in Marketing

Roland T. Rust
University of Maryland



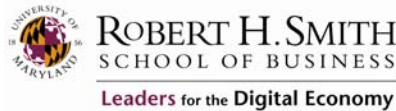
What to Work On?

- Growth areas are most promising
- Technology points the way
- Lead, don't follow



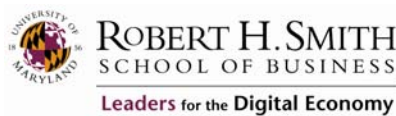
Examples

- Computerization => multivariate data analysis
- Supermarket scanners => market structure analysis
- Customer databases => customer lifetime value analysis

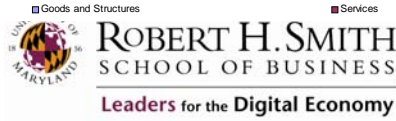
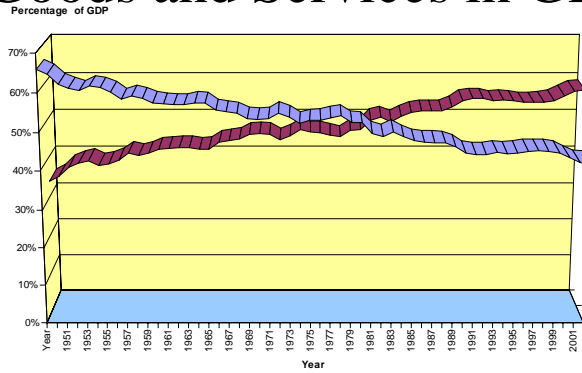


The Biggest Long-Term Trend

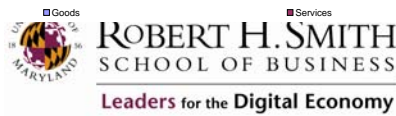
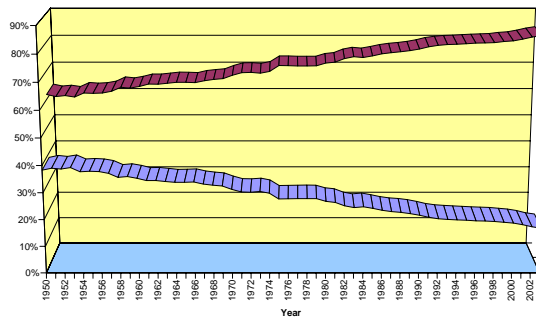
- Expansion of the service/information economy
- Why? Technology



Goods and Services in GDP



Goods and Services in Employment



The Service Revolution

- 1900 – 30% employed in the service sector
- 1950 – 62%
- Today – 83%



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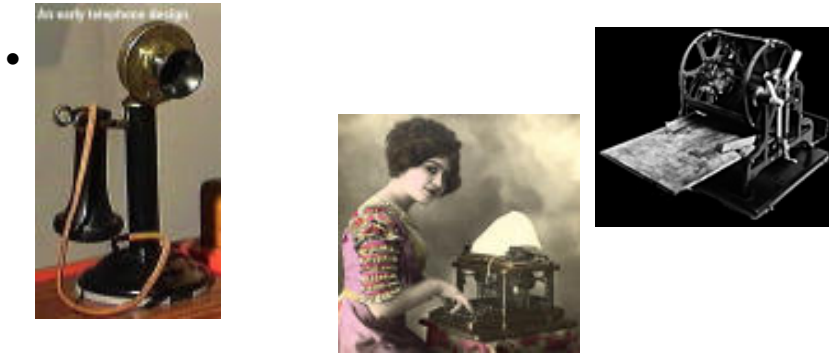
Why Is This Happening?

- Service not new



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The Role of Information



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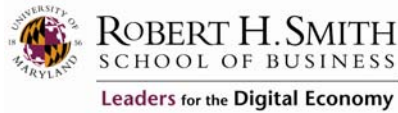
Information => Service



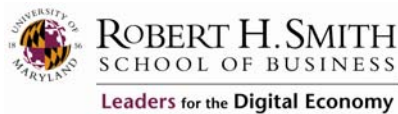
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Information = Service

- Hearing what customers want (communicating information)
- Storing knowledge about customers (storing information)
- Figuring out how to please customers (processing information)

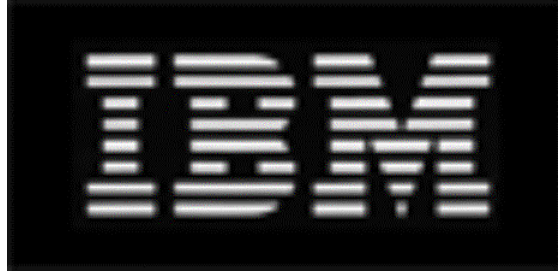


Goods are Services



Manufacturing Companies are Becoming Service Businesses

-



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Service Getting More Important

- Information technology advances
- Service advances
- Customer relationships deepen
- Service sector expands
- Goods become more information-intensive



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The Business Reality

- Goods are commodities
- Service sells the product



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Sources of Service Advantage

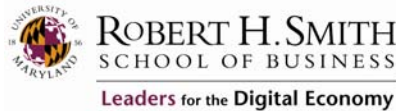
- Making operations more efficient
(standardizing processes)
- Serving customers more completely
(customizing processes)



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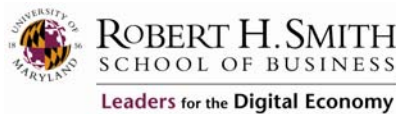
The Problem with the Efficiency Model

- Standardized processes become commoditized
- No longer a source of profit



The True Source of Service Profit

- Revenue expansion through customization



Some Rising Topics

- Customization
- Real-time marketing
- E-service
- Customer Equity



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Some Mature Topics

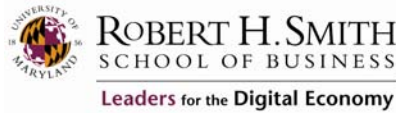
- Response to print ads
- Scanner panel data analysis
- Mass marketing
- Consumer packaged goods



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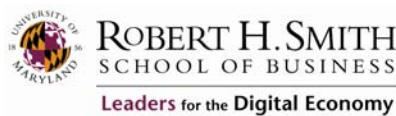
Some Rising Methodologies

- Computational methods of estimation
- Simulation
- Cellular automata



Some Mature Methodologies

- Closed-form estimation methods
- Analytical models



Some Research Advice

- Follow the technology
- Work in a growth area
- Find a field with new information and new data sources
- Pick a new topic and be a pioneer
- Develop skills in computational methodologies

