

Robert E. Carter

Assistant Professor

Office Address:

Marketing Department
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Education:

- Ph.D.** Marketing, College of Business, **University of Cincinnati**, May 2007, Cincinnati, Ohio.
- M.S.** Quantitative Analysis, College of Business, **University of Cincinnati**, May 2006, Cincinnati, Ohio (earned concurrently with Marketing Ph.D.)
- M.B.A.** Marketing, Fuqua School of Business, **Duke University**, Durham, North Carolina.
- B.S.** Chemical Engineering, **Northwestern University**, Evanston, Illinois.

Research Program

Research Interests:

Interested in researching areas that combine consumer behavior, branding, and marketing response modeling with a particular interest in:

- Advertising and promotion effects
- New brands, “pioneer” advantage, and new product sales forecasting
- Interactions between a line extension and its respective parent brand
- Value of a brand and brand equity
- Pricing and price elasticity

Refereed Proceedings (Published):

Carter, Robert, David Curry (2005), "Earning a Premium Without Changing the Product: Using Price Transparency to Create a Competitive Advantage," in *2005 AMA Summer Educators' Conference Proceedings*, Beth A. Walker and Mark B. Houston, eds., Vol. 16, Chicago, IL: American Marketing Association, 171-180. (Best Paper in the Consumer Behavior Track)

Professional Presentations:

"Earning a Premium Without Changing the Product: Using Price Transparency to Create a Competitive Advantage," *AMA Summer Educators' Conference*, August 2005, San Francisco, CA.

"An Examination of the Psychometric Properties of the Horizontal and Vertical Individualism and Collectivism Scale: A Four-Country Analysis," *AMA Summer Educators' Conference*, August 2005, San Francisco, CA (guest presenter).

"Consumer Decision Theory and Price Transparency: When Consumer Utility Increases with Price," *Haring Symposium for Doctoral Research*, April 2005, Indiana University, Bloomington, IN.

Work in Progress:

Carter, Robert, "Reciprocal Spillover Effects: Why, When, and How Much." Targeted for a 2008 submission to *Journal of Marketing Research*. (Ph.D. Dissertation Research)

Carter, Robert, David Curry, "Estimating Tuition Elasticity Using A Dynamic Discrete Choice Model" Targeted for a Fall 2008 submission to *Journal of Marketing Research*. (M.S. Quantitative Analysis Thesis Research)

Carter, Robert, David Curry, "Earning a Premium Without Changing the Product: Using Price Transparency to Create a Competitive Advantage." Targeted for a Fall 2007 submission to *Journal of Marketing Research*.

Carter, Robert, Andrea L. Dixon, William C. Moncrief, "Gathering Data from Marketing Professionals: An 'Effort' Analysis for 1990-2005." Targeted for a Summer 2006 submission to *JPSSM*.

Ph.D. Dissertation Proposal Abstract:

Reciprocal Spillover Effects: Why, When, and How Much

Introducing new products is critical to a company's ongoing success. However, there are significant risks to the manufacturer because the costs associated with bringing a new product to market are estimated at \$50 million or more. Even with this level of marketing support, it is estimated that half of all introductions fail. Given the significant costs and risk of failure related to new product introductions, many firms are using line extensions as a means of reducing these costs and, hence, increasing chances of success. Not surprisingly, the use of line extension strategies has become widespread and it is estimated that 95% of new product introductions are line extensions. However, the support for the use of line extensions is not universal. Reddy et al (1994) report that line extensions and new products exhibit generally similar success rates, suggesting that using an existing brand name does not confer any incremental benefit to the line extension.

What explains these conflicting perspectives on the appropriateness of line extension strategies? We hypothesize it is due to the relative strength of two off-setting interactions between the parent brand and its line extension. One interaction is related to the impact that parent brand marketing activity and product characteristics have on the line extension, and vice versa. This interaction is termed "spillover." More specifically, "*forward* spillover" is the effect of parent brand activity/product characteristics on the line extension, while "*reciprocal* spillover" is the effect of line extension activity/product characteristics on the parent brand.

On the other hand, interaction also has the potential to reduce sales through cannibalization, e.g., the proportion of sales for one brand (i.e., line extension) that are "stolen" from the another brand (i.e., parent brand). This suggests that the observed success rates found for line extensions may be inflated unless an appropriate assessment is conducted on incremental sales for the line extension, in addition to total sales for the line extension.

Even though the financial impact to a parent brand and line extension can be substantial, these off-setting interactions and, in particular, spillover effects have not been well researched empirically. Therefore, the contributions of this paper are three fold. The first objective is to extend the current research by further developing the social and cognitive theories to explain "why" *reciprocal* spillover effects occur. Second, to provide managerial guidance related to the specific conditions under which *reciprocal* spillover effects occur (i.e. "when"). Third, to quantify the degree to which *reciprocal* spillover effects impact the parent brand (i.e. "how much"). Ultimately, the overall objective is to specify the marketing budget for the line extension and the parent brand simultaneously so as to optimize their joint sales by accounting for the off-setting interactions of spillover and cannibalization.

To address these important research issues, we will combine theories from Associated Networks and Information Economics with econometric modeling. To that end, ACNielsen BASES has generously agreed to provide weekly scanner data on 40 parent brand/ line extension pairs (i.e. 80 brands in total) across approximately 15 Consumer Packaged Goods categories. The data are at the city level and cover the time frame from March, 2003 to February, 2006. Additionally, we will integrate the scanner data with survey responses (i.e. on constructs such as similarity, image consistency, substitutability, etc.) among a general population sample, for the same products. We believe that this data set is unique in terms of its scope and integration of scanner and survey data, and ability to address the spillover issues.

M.S. Quantitative Analysis Thesis Abstract:

Estimating Tuition Elasticity Using A Discrete Choice Model

Prior research on tuition elasticity for institutions of higher learning has consistently found a downward sloping demand curve. That is, as tuition increases, enrollment decreases. However, most published studies relied on aggregate data covering multi-year time frames. As such, elasticities reported in prior research reflect the likelihood that a student will attend *any college or university*. The research does not provide guidance on the choice of college that an *individual student* may choose to attend.

The research presented in this thesis is unique because it employs discrete choice experiments *on an individual student basis* in order to determine the tuition elasticity for 12 colleges within the University of Cincinnati. Additionally, web-based survey software containing a unique “rules engine” was developed (as none were available commercially) so that the list of competitive schools in the choice set could be dynamic and, hence, reflect the college consideration set for each student. Thus, the discrete choice experiment employed here uses a data collection format personalized for each respondent in the study.

Results are consistent with prior research in that we identified a downward sloping demand curve. However, our estimated elasticities are considerably greater than those reported in previous research due to the focus on individual student level data as compared with aggregate level analysis. Furthermore, within the University of Cincinnati, we measured widely different elasticities for the different colleges in the study. (For proprietary reasons, the tuition elasticity for specific colleges is not provided.)

Honors and Awards

- 2006 \$3000 URC Summer Graduate Student Research Fellowship.

- 2006 AMA Sheth Foundation Doctoral Consortium Fellow,
University of Maryland.

- 2006 \$400 Siddall Travel Stipend for AMA Doctoral Consortium

- 2006 Omega Rho INFORMS Honor Society

- 2005 Best paper award in the Consumer Behavior Track at the
Summer AMA Educators' Conference for "Earning a
Premium Without Changing the Product: Using Price
Transparency to Create a Competitive Advantage."

- 2005 \$400 Siddall Travel Stipend for Summer AMA.

- 2005 Haring Symposium Fellow, Indiana University.

- 2004 SMA Doctoral Consortium Fellow, St. Petersburg, FL.

- Duke Fuqua Scholar. Allied Corporation Fellowship.
University

Service

- 2006 In the spirit of the UC|21 initiative (in terms of community service), we have
partnered with The Junior League of Cincinnati (a local non-profit service
organization) to conduct primary research aimed at improving member retention
and recruitment (this research was conducted as part of the Advanced Marketing
Research class).

- 2006 Reviewer AMA 2007 Winter Educators' Conference

- 2006 Ad Hoc Reviewer, AMA 2006 Summer Educators' Conference

Teaching

Teaching Interests:

Marketing Research, Consumer Behavior, Branding and Brand Equity, Quantitative Methods. Interested in teaching at the undergraduate, MBA, and Executive MBA level.

Teaching Experience:

- 2006 Instructor, Advanced Marketing Research, University of Cincinnati. To provide a “hands-on” experience for the students, we partnered with The Junior League of Cincinnati (a local non-profit service organization) which contributed \$7500 for the collection of primary research aimed at improving Junior League member retention and recruitment.
- 2006 Guest Lecturer, Ph.D. Seminar on Conjoint Analysis (2 times), on “The ‘Nitty Gritty’ Details of Using SAS for Conjoint and Discrete Choice Analyses,” University of Cincinnati.
- 2005 Guest Lecturer, Introduction to Marketing, University of Cincinnati.
- 2004 Instructor, Marketing Metrics, University of Cincinnati. On the question: “Overall, this instructor was excellent,” earned a rating of 7.13/8.00. The average rating for the College of Business on this question is 6.48/8.00.

Employment History

Research and Teaching Assistant, University of Cincinnati, Cincinnati, Ohio

ACNielsen/BASES, Cincinnati, Ohio & Chicago, Illinois

Vice President, Client Service

- **Account Management/Sales.** Led the account team that consistently and regularly increased sales at a “dormant” client. This client generates approximately \$7.5 million per year, and has been on BASES “Top 5 client” list for 5+ years in a row

- **Client Service.** Responsible for managing all aspects of client service including study design, costing, proposals, handling client questions and interaction, and presentations. Have personally given over 100 client presentations and also managed over 100 presentations by junior client service team members. Further, at this major client, our team achieved the #1 ranking (among the client’s preferred suppliers) in 4 of the past 6 evaluations covering 10+ years.

- **Managerial.** The account group grew from 2 employees to 22 full time team members. Responsible for conducting performance reviews, recruiting and hiring (and sometimes letting employees go), workload management, reviewing client deliverables, and general training and coaching of analysts.

- **Analytical.** Extensive new product forecasting and report writing experience, especially in long purchase cycle categories. Completed or managed over 500 forecasts. Versatile in custom research methods and in-market data sources. Conducted special research projects for the client on multi-year forecasting, order of entry, and testing methods for specific products (i.e. premium priced products). Conducted internal R&D on the use of a diffusion model to estimate the “build” for cumulative first repeat rate over the course of Year I.

- **Global Account Coordination.** Senior member on the global team (for a major client) that included BASES representatives from North America, Latin America, Asia/Pacific, and Europe. The client is consistently one of BASES largest global accounts. Completed a temporary assignment in BASES European office in Oxford, U.K. in 2002

Procter & Gamble, Cincinnati, Ohio

Process Engineer, Food Product Development