

# Reflections on 50 years of thought leadership

*During 2011*, the Marketing Science Institute (MSI) celebrates 50 years of influencing and shaping scholarly research in marketing and marketing practice. The creation of MSI was a groundbreaking effort by marketing pioneers. In 1961-62, 29 companies responded to a membership appeal by Thomas McCabe, Sr., former president of Scott Paper Company. They established MSI as a nonprofit organization that would financially support research for the development of leading-edge marketing knowledge on topics of importance to business. Over the ensuing years, MSI has evolved but remained true to its mission. Today, it establishes research

priorities for leading academics, generates groundbreaking insights for marketing practitioners, and is a source of collaborative thought leadership for marketers worldwide.

MSI provides a forum where world-class marketers and high-profile academics can share ideas and practices that foster marketing innovation. Our member company trustees are executives from the top marketing organizations in the world. Today, our 70+ corporate sponsors include not only charter members from traditional business sectors—Campbell Soup, CBS, DuPont, Eastman Kodak, General Electric, IBM, Kimberly-Clark (Scott Paper), Kraft (General Foods), and Time—but also leading companies (such as Amgen, Covance, and Eisai) from new business sectors. Our academic trustees are distinguished academics with global reputations

for scholarly achievements. Moreover, our programs and activities connect thousands of marketers in business and academia around the world. This large and powerful network supports strong professional relationships, provides access to the best minds in marketing—people who stimulate new knowledge, inspire, and enlighten—and ultimately transforms the practice of marketing.

A half-century of thought leadership is truly remarkable. How did MSI come to play this unusual—and perhaps unique—role in the business community? It is useful to reflect on its historical origins. The 1960s was a tumultuous decade encompassing path-breaking events: the launch of the first human (Yuri Gagarin) into space; the passage of the Civil Rights Act of 1964 in the U.S.; and the advent of innovative technologies, such as optical disks,

communication satellites, and heart pacemakers. Baby boomers flocked to hear the Beatles and watch the first James Bond film, “Dr. No.” Business history buffs will recall that Procter & Gamble launched Pampers disposable diapers; IBM introduced the IBM Selectric (“golf ball”) typewriter; and Avis promised “We Try Harder.”

MSI is a child of this era. The ’60s was a decade of tremendous intellectual ferment among marketers. Science became the foundation for marketing thought development and marketing scholars adopted the perspective of marketing managers with the goal of helping them make better decisions. Key marketing concepts, such as the now-familiar “4 Ps” of marketing, were introduced. Management science theory, methods, and tools were infused into marketing; consumer behavior emerged as an area of study within marketing.

## BY RUTH N. BOLTON

Ruth N. Bolton is 2009–11 MSI Executive Director. A version of this article is forthcoming in *Marketing Management*. We are grateful to the American Marketing Association for permission to publish this pre-release version.

Since its inception, MSI's core commitment has been to foster the collaboration of business executives with academics from diverse disciplines. Its purpose was, and still is, to generate knowledge using fact-based, rigorous marketing research initiatives that link to business objectives. MSI develops its research priorities based on four criteria: importance to marketers, need for more research-based knowledge, potential for achieving critical insights on an issue, and the extent to which the topic can benefit from our capabilities in fostering collaboration between practitioners and academics. MSI research priorities iden-

corporate social responsibility, environmental and sustainability concerns, and information and privacy issues, as well as government and regulatory reform in various industry sectors. For example, MSI has recently called for additional research on consumers' responses to social and regulatory changes and their expectations for corporate behavior.

The influence and impact of MSI activities is best explained by analogy to the effect of casting a stone in a pond and watching the ripples spread outward. New knowledge—initially generated and disseminated by MSI—diffuses to a broad audience through the activities of marketing scholars, universities, academic journals, the popular business press, marketing service suppliers, and marketing thought leaders in companies worldwide. Continuing the stone-in-a-pond analogy, MSI's important role is more easily seen with the passage of time when the waters become still. For this reason, it is illuminating to consider some key marketing advances of the past five decades.

### 1960s:

#### INNOVATION FOR GROWTH

In its first decade, MSI supported the development of new tools for marketers, such as multi-dimensional scaling, stochastic modeling, causal modeling, and decision calculus modeling. It also provided the foundation for important advances in new product development. These new tools, models, and concepts were rapidly adopted by many companies; they are now standard equipment in a modern marketer's toolkit. Innovation has consistently remained an important research priority. In the past year, MSI has sponsored a research proposal competition on this topic, as well as conferences in Shanghai, London, and Los Angeles. In addition, MSI is fostering the application of social network

theories and methods to yield new sources of customer insight and to help manage the introduction and diffusion of new products. It has also supported the application of new approaches, such as agent-based modeling, to marketing problems.

### 1970s:

#### FINANCIAL CONSEQUENCES OF MARKETING

MSI launched and managed a landmark project, "Profit Impact of Marketing Strategy" (PIMS), during the early 1970s. MSI-supported research created and analyzed a cross-sectional database that described marketing strategies and profitability across hundreds of business units. This initiative sparked an extremely large number of studies, and revealed provocative insights about the drivers of profitability. Many marketers have studied the financial consequences of marketing over the ensuing years with MSI continuing to provide guidance. For example, two recent MSI initiatives are "Marketing Metrics" and "Marketing Meets Wall Street." The goal of both initiatives is a better understanding of how product-market-based assets—such as brand, customer, and channel equity—and marketing actions—such as innovation, advertising, and pricing—influence financial performance and shareholder value. Related projects have also tackled novel issues, such as treating the investment community as a customer.

### 1980s:

#### FROM MARKETING ORIENTATION TO CUSTOMER-CENTRIC ORGANIZATIONS

By the 1980s, services were an important source of growth and profitability for many firms, especially in developed economies. MSI initiated path-breaking work on services and business-to-business marketing that rapidly influenced business practice. Firms were also struggling to understand the role of marketing in strategic planning. Over the next two decades, MSI research introduced key concepts and metrics, such as market orientation and market-

"The distinction between the past, present and future is only a stubbornly persistent illusion."

**ALBERT EINSTEIN** (1879–1955)

tify topics for which research proposals would be welcome. They are based on input from leading marketing scholars and practitioners and are widely distributed. In this way, MSI provides direction and financial support to academic scholars that stimulates research, advances marketing science, and inspires real-world business solutions.

Many businesses seek a "triple win:" to improve consumer well-being, achieve business success, and contribute to societal welfare. Consequently, MSI also encourages research on issues related to marketing and society. It has supported research on a variety of legal and social issues, including nutrition labeling, advertising to children,

ing capabilities, which were rapidly adopted by managers. This led to many successful projects on marketing strategy and the effective use of marketing information. Recently, the role of marketing has shifted due to changes in the business environment, especially the globalization of marketing systems, technology infusion, and unanticipated shifts in consumer preferences, behavior, and values. Consequently, marketers have been increasingly focused on developing customer-centric organizations.

## 1990s:

### TRANSFORMATIONAL PERSPECTIVES ON BRANDS AND CUSTOMERS

Marketers in MSI member companies are intellectually curious, and they require research that is both rigorous and relevant. Consequently, since its inception, MSI has consistently introduced new perspectives on managing products and understanding customers. An intense interest in the management of brand equity is pervasive in most firms. Thus, many marketers may be surprised to learn that the conceptualization and measurement of brand equity originated in MSI-sponsored research and papers during the early 1990s. MSI also played an important role in introducing qualitative research methods to help marketers better understand consumers. In addition, MSI took an early interest in physiological measures; in fact, it published three working papers on brain wave responses (EEG) to advertisements in the 1980s! In the past year, MSI has brought together marketing thought leaders from academia and industry to better understand how new theory and methods from neuroscience can be used to understand consumer thinking and behavior.

## 2000 and beyond:

### COMMUNICATIONS AND BRANDING IN A DIGITAL ERA

Marketers are still experiencing the ripple effects of MSI's recent research priorities. In the past decade, MSI has highlighted the need for additional research on the implications of new

media, channels, and platforms—including social media, mobile (including local), and consumer-to-consumer interactions—for managing customer relationships, marketing communications, and branding. Marketers' understanding of this topic has already become more nuanced, so research has now begun to explore how new and traditional marketing activities work together. For example, MSI's recent "Shopper Marketing" initiative examined the customer experience (broadly defined) along the entire path to purchase. It arose from widespread interest expressed by financial service companies (e.g., PNC), healthcare providers (e.g., Kaiser Permanente), and auto companies (e.g., General Motors), as well as manufacturers (e.g., Coca-Cola) and retailers (e.g., Walmart).

MSI's mission is to disseminate new knowledge, as well as generate it. Hence, MSI has distributed more than 1000 publications: books, monographs, research papers, and conference reports. A recent citation analysis found that MSI-sponsored articles in leading marketing journals are much more heavily cited than comparable articles in the same journals. MSI co-sponsors academic conferences all over the world. In the past ten years, it has sponsored 59 practitioner conferences in the U.S.—excluding members-only biannual trustees meetings, mini-conferences, and roundtables. It has also sponsored practitioner conferences in 13 countries, including Australia, Canada, China, France, Germany, Greece, India, Japan, Portugal, Singapore, Spain, the United Kingdom, and the U.S. Through these activities, MSI communicates rigorous and relevant insights that world-class marketing professionals need to develop and implement business decisions.

Our anniversary theme, "MSI 50: Years Ahead," captures MSI's role in generating insights that set the tone for global conversations about the theory and practice of marketing. As the opening quotation from Einstein suggests, it is a role MSI will play in the years ahead.

During 2011, *Marketing Management* will be publishing a series of articles about MSI priority topics connected to the future of marketing, written by MSI thought leaders. By collaborating with *Marketing Management* in this way, MSI casts another stone in the pond and looks forward to its ripple effects. We encourage marketers everywhere to participate in conversations about these marketing topics and—in doing so—collaborate to shape our field. ■

### ADDITIONAL READING

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MARKETING SCIENCE INSTITUTE

1000 MASSACHUSETTS AVENUE, CAMBRIDGE, MA 02138    T 617-491-2060    F 617-491-2065    [WWW.MSI.ORG](http://WWW.MSI.ORG)