Announcement

2012 IJRM Best Article Award

The European Marketing Academy (EMAC) and the International Journal of Research in Marketing (IJRM) are pleased to announce the winners of the 2012 IJRM Best Paper Award:


and


ABSTRACTS:

Abou Nabout et al:

Many advertisers hire agencies to run their search engine marketing campaigns; increasingly, they use innovative performance-based compensation plans. In these plans, the advertiser pays the agency a fee for each conversion (i.e., acquired customer) but requires the agency to pay all of the search engine marketing costs. In this article, the authors address compensation decision problems for search engine marketing for the first time and conclude that such fee-based plans lower the advertiser's profit by as much as 26–30%. This article uses a simulation study and four empirical data sets to better understand what drives this profit loss. Two causes account for the loss: first, the agency spends less on advertising than is optimal for the advertiser. Second, the agency often earns more to manage the advertiser's campaign than its minimum requirement. This higher profit for the agency occurs because the advertiser pays the agency more in order to limit the agency's potential underspending on advertising. The authors show that this latter reason accounts for more than one-third of the advertiser's profit loss. This article also offers insights into how the advertiser's profit changes if the advertiser is uncertain about its profit per conversion or if the advertiser does not truthfully reveal its profit per conversion to the agency.

Lemmens et al:

Prior international segmentation studies have been static in that they have identified segments that remain stable over time. This paper shows that country segments in new product growth are intrinsically dynamic. We propose a semiparametric hidden Markov model to dynamically segment countries based on the observed penetration pattern of new product categories. This methodology allows countries to switch between segments over the life cycle of the new product, with time-varying transition probabilities. Our
approach is based on penalized splines and can thus be flexibly applied to any nonstationary phenomenon, beyond the new product growth context.

For the penetration of six new product categories in 79 countries, we recover the dynamic membership of each country to segments over the life cycle. Our findings reveal substantial dynamics in international market segmentation, especially at the beginning of the product life. Finally, we exploit the dynamic segments to predict the national penetration patterns of a new product before its launch and show that our forecasts outperform forecasts derived from alternate parametric and/or static methods. Our results should encourage multinational corporations to adopt dynamic segmentation methods rather than static methods.

Selection process:

The winning articles were chosen from two rounds of voting open to all the members of the IJRM Editorial Board. In the first round, each voter could nominate up to three (3) papers that were published in IJRM in 2012. Five (5) papers received the most nominations and they composed the shortlist. In the second and final round, the Board Members voted for one paper from the shortlist. The two (2) winning papers for this year tied for the most number of votes received.

Finalists (Shortlist of 5):

- **An analysis of the profitability of fee-based compensation plans for search engine marketing.** Nadia Abou Nabou, Bernd Skiera, Tanja Stepanchuk, Eva Gerstmeier. *Volume 29 (1), pages 68-80*

- **Dynamics in the international market segmentation of new product growth.** Aurélie Lemmens, Christophe Croux, Stefan Stremersch. *Volume 29 (1), pages 81-92*

- **Marketing activity, blogging and sales.** Hiroshi Onishi, Puneet Manchanda. *Volume 29 (3), pages 221-234*

- **Consumer evaluation of copycat brands: The effect of imitation type.** Femke van Horen, Rik Pieters. *Volume 29 (3), pages 246-255*

- **Bolstering and restoring feelings of competence via the IKEA effect.** Daniel Mochon, Michael I. Norton, Dan Ariely. *Volume 29 (4), pages 363-369*