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Management
Education

Activity Report 2015/2016

Chair of Digital Marketing
www.whu.edu/digital

Table of Contents

	Page
Foreword	3
1. Team	4
2. Teaching	7
2.1 Bachelor of Science Program	8
2.2 Doctoral Program	8
3. Theses	9
3.1 Msc Program	9
3.2 Doctoral Program	9
4. Teaching Innovation	11
5. Research	14
5.1 Articles in Refereed Journals (Double-Blind)	14
5.2 Other	14
5.3 Honors	15
6. Services Provided to the School	16
6.1 Involvement on University Committess, including ad Hoc Committees	16
6.2 Successful Fundraising on Behalf of WHU	16
6.2 Serving as Representative or Contact Person for a Foundation, for Example a Scholarship Foundation, at WHU	16
7. Community outreach	17

Foreword



From left to right: Ass. Prof. Tim O. Brexendorf, Prof. Martin Fassnacht, Prof. Ove Jensen, Prof. Walter Herzog, Prof. Tillmann Wagner, Prof. Christian Schlereth

I feel honored to write my second annual activity report foreword and to look back at an exciting past academic year 2015/16. Again, I must say that I am truly proud of how well the new chair continued to establish itself in various aspects. This activity report mirrors the chair's activities during the past academic year.

To highlight some developments, I would like to first mention the arrival of our new research assistant and doctoral student Sebastian Hein, who started in November 2015. Within 1 month after his start, he accomplished a conference submission, which got accepted and which he presented at the EMAC (European Marketing Conference) in OSLO. Talking about conferences, this was just one out of six conference talks and guest talks that our chair gave in the past academic year. In addition, I am also honored that our publication about Advanced Payment Systems from the previous year was chosen as the top-3 finalist for the "Best Paper Award of the year 2015" in the International Journal of Marketing Research.

For the future, we will continue our research path with practical relevant and methodological rigor projects. Beside the reworked version of the course Digital Marketing, we are currently developing a new course on Marketing Engineering for the master program and I am already looking forward for contributing in the executive education program SPOAC with the topic "Going Digital".

A special thank you to all those who helped make this happen. Especially, my sincere gratitude goes to my great team – it's a pleasure to work with you! - but also to my colleagues from the Marketing and Sales Group and other research institutions. I would also like to thank Peter Kreutter and the Dean, Markus Rudolf for their support.

We hope that you will enjoy reading this year's activity report.

Ch Schlereth

Dr. Christian Schlereth, Professor of Digital Marketing

1. Team



Professor Dr. Christian Schlereth
Chairholder

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Since October 2014, Christian Schlereth is holding the Professor position for the Chair of Digital Marketing at the WHU – Otto Beisheim School of Management. Prior to his professorship, he studied Information Systems at the Technische Universität Darmstadt, obtained a doctorate from Goethe University Frankfurt and held an Assistant Professor position on Marketing and Electronic Services from 2011 till 2014. In 2009 and 2011, he spent 4 and 7 months, respectively, as a visiting fellow at CenSoC – the Centre for the Study of Choice at the University of Technology, Sydney. His research addresses a variety of practical issues in managerial decision making in the context of digital services (e.g., cloud computing, freemium business models). Special emphasis is put on adequate price differentiation, preference elicitation techniques and the implications of such techniques on optimization (e.g. profit maximization) of different service settings. Moreover, he has developed the survey software DISE, a software specialized on the application of latest scientific developments in stated preference techniques (e.g., discrete choice experiments). By today's date the software has supported numerous research projects, scientific as well as commercial, at universities and companies all over Europe.



Dörthe Barlach
Personal Assistant

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Dörthe Barlach joined the team in December 2014 and has supported the building of the Chair of Digital Marketing from the administrative side. She is a trained European Secretary (ESA) and was employed by WHU in October 1994.



Sebastian Hein
Research Assistant

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Since November 2015, Mr. Sebastian Hein has joined WHU as research assistant and doctoral student for the Chair of Digital Marketing. Mr. Hein has recently graduated from Goethe University Frankfurt am Main with a Msc. in Management and a Minor in Finance and Information Management. He will focus his main research activities on innovative preference measurement methods.



Joséphine Süptitz
Research Assistant

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Joséphine Süptitz joined WHU as research assistant and doctoral student for the Chair of Digital Marketing of Prof. Schlereth in November 2014. Previously, she had graduated with a Msc. of Economics and a minor in energy economics from University of Cologne in June 2014. Since February 2012 she also has a Bachelor degree in International Business Administration from Eberhart-Karls-Universität Tübingen and Universidad de Deusto, La Comercial, in Bilbao, Spain. Between her Master and Bachelor studies, she took a gap year to gain some working experience. Nine months of that year she spend at Simon Kucher & Partners in London and in Cologne where she worked on various pricing projects. In addition to the internship at Simon Kucher & Partners, she did several other internships in consulting and also worked as an assistant student researcher at the Institute of Energy Economics at the University of Cologne during her Master studies.

2. Teaching



Sven Beisecker
Student Assistant (BSc 2017)

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In September 2015, Mr. Sven Beisecker has joined the Chair of Digital Marketing as a student assistant. He is specifically assigned to a research project with Prof. Schlereth on the use of stated preference techniques in an HR context.

The Chair of Digital Marketing offers courses on the Bachelor's level (Foundations of Marketing and Digital Marketing) and in the Doctoral Program (Discrete Choice Experiments - From study setup to analysis and willingness-to-pay estimation). Overall, students evaluated all courses positively – on a scale from 1 (excellent) to 5 (poor), the average satisfaction with the respective courses was:

Digital Marketing
(22 bachelor students; 2 SWS; 3 ECTS):
■ 3.00 (2 votes)

Discrete Choice Experiments – From study setup to analysis and willingness-to-pay estimation
(14 doctoral students; 2 SWS; 3 ECTS):
■ 1.13 (8 votes)

Foundations of Marketing
(223 bachelor students; 2 SWS; 3 ECTS):
■ Group A: 1.65 (31 votes)
■ Group B: 1.78 (39 votes)
■ Group C: 1.39 (14 votes)

Bachelor of Science I Spring Term 2016	
Course	Lecturer
Foundations of Marketing II. semester (Group A)	Prof. Dr. Christian Schlereth
Foundations of Marketing II. semester (Group B)	Prof. Dr. Christian Schlereth
Foundations of Marketing II. semester (Group C)	Prof. Dr. Christian Schlereth
Digital Marketing IV. semester	Prof. Dr. Christian Schlereth

Doctoral Program Spring Term 2016	
Course	Lecturer
Discrete Choice Experiments – from study setup to analysis and willingness-to-pay estimation	Prof. Dr. Christian Schlereth



Guest lecture by Bayer about Digital Services and Organizational Changes

2.1 Bachelor of Science Program

Foundations of Marketing

"There is only one valid definition of business: to create a customer (...) Marketing is the unique and defining function of the enterprise", wrote Peter Drucker, the best-known management thinker in 1954. It was the time when market environment was transiting from an unsaturated seller market to a saturated buyer market – a development which has not been – and remained until today. Today's companies' focus on customer needs and customer benefits has been the central success factor of the corporate management. The implementation of a market-oriented management led to a rise of the marketing division within the company. The course provides students with a broad overview of the basic concepts, metrics, and approaches in Marketing and teaches a deep customer orientation.

The course covers a broad range of Marketing topics, such as

- Marketing strategy
- Purchase behavior
- Market research
- Customer centricity
- 4Ps in Marketing

Digital Marketing

Digital marketing is the process by which a firm employs, either partially or exclusively, digital tools, techniques and tactics to create value for its customers. This course aims to identify the core topics involved in the effective management of digital marketing. It provides a holistic framework; fosters an understanding of the economic principles that benefit most from digitalization; provides analytic tools to manage customer experience, either in the form of online advertisement or social media interactions; outlines changes in business models; and finally discusses possible processes of digital transformation.

The course covers the following topics:

- Digital landscape
- Keymetrics in online advertisement
- Social media & network analysis
- New business model paradigms

2.2 Doctoral Program

Discrete Choice Experiments – from study setup to analysis and willingness-to-pay estimation

Discrete Choice Experiments (DCEs) are an essential evidence based research tool to better understand and predict individual and group decisions made by managers, organizations, and consumers. DCEs are suited to empirically study frequently asked research questions from many disciplines, such as, e.g., consumers' trade-off between product characteristics and price in Marketing; households' trade-off between interest rates and risk in Household Finance; and app-users' trade-off between capabilities and privacy concerns in Information Systems. This doctoral course will prepare doctoral students across different research fields to set up and apply their own discrete choice experiment to their own research questions.

Thereby, we are grateful to Dr. Christian Neuerburg, who provided rich insights into the application of Discrete Choice Experiment by GfK (Gesellschaft für Konsumgüter-forschung. We also thank Liquid Technologies, who sponsored a 2 year licence of their software Liquid XML Studio to all participants of the course.

3. Theses

3.1 MSc Program

Master of Science		
Name	Title of Thesis	Co-Supervisor
Jan Phillip Hofste	Going Mobile – An Empirical Study on Premium Subscriptions	Joséphine Süptitz
Jan Wohlleben	Finding the optimal price distance between 1st and 2nd class to generate upsells	Sebastian Hein

3.2 Doctoral Program

Doctoral Program			
Name	Dissertation Project	Supervisor	Co-Supervisor
Joséphine Süptitz	Valuable zombies: How customers contribute to CLV after their death	Prof. Dr. Christian Schlereth	Prof. Dr. Walter Herzog
Sebastian Hein	To be announced	Prof. Dr. Christian Schlereth	To be announced
Dominic Bergers	Individual Differences in the Susceptibility of Biases in Pricing	Prof. Dr. Martin Fassnacht	Prof. Dr. Christian Schlereth
Jil-Marie Dahm	The Veblen Effect	Prof. Dr. Martin Fassnacht	Prof. Dr. Christian Schlereth
Lukas Johannes Einmahl	Preventive Returns Management: Measures and Drivers Affecting the Return Rate without Increasing the Customer's Costs of Transaction	Prof. Dr. Carl Marcus Wallenburg	Prof. Dr. Christian Schlereth
Modan Huang	Perceived newness from the shopper's perspective at the POS	Prof. Dr. Martin Fassnacht	Prof. Dr. Christian Schlereth
Jörg Rottenburger	Seeing through the bluff: A new perspective on Business Bluffing	Prof. Dr. Lutz Kaufmann	Prof. Dr. Christian Schlereth
Christof Emil Schlindwein	Durable Goods, Secondary Markets and Customization	Prof. Dr. Peter-J. Jost	Prof. Dr. Christian Schlereth

Joséphine Süptitz

Valuable zombies: How customers contribute to CLV after their death

In the past subscriptions were mostly seen as a particularity of newspapers, energy, or telecommunication providers. Today, customers' focus in purchase behaviour has shifted from possession to usage. At the same time, technological progress has opened up totally new opportunities for data storage and analysis. Both changes have created the possibility but also the necessity for firms to redefine their strategy towards a customer centricity and in consequence subscription monetization strategies have suddenly gained new popularity. Numerous online service providers (e.g. Spotify), but also firms outside the digital world have successfully implemented a subscription model (e.g. Rolls Royce for aircraft engines).

In a subscription context, customers build firms' most valuable asset. Consequently, maximization of Customer Lifetime Value (CLV), the net present value of all future income generated from a firm's customer base, should be the primary corporate goal. However, instead of seeking to maximize CLV, most subscription services merely focus on customer acquisition. By doing so, they often mix-up new and former customers and track all customers as new acquisitions.

The dissertation project addresses that problem and concentrates on CLV optimization in the presence of returning customers. Focus is put on the question whether and by how much CLV differs when customers return for the first or second time compared to truly new customers. The contribution we would like to provide with our work is twofold. On the one side we will develop a more precise and realistic model of CLV by accounting for the behavioural peculiarity of returning customers and test this model in a real-world context. Secondly, we will provide recommendations for CLV optimal strategy design regarding pricing, contract design and retention. We will also extend the existing literature on returning customers which so far has mostly focused on win-back strategies.

Sebastian Hein

Title: To be announced

From the smartphone devices that we carry with us each day to nearly every aspect of our lives, everything is getting faster and more complex day by day. Large parts of our life are strongly affected by technology and happen online. One example that undermines this statement is our buying behavior. More and more products – from television screens to pet supplies – are bought online.

This change also influenced the typical consumer buying behavior. Nearly all information about products can be accessed and compared online and so the way how attention is devoted to this information is an important and interesting field of study. Behavioral researchers come to the conclusion that people are limited in their ability to process information and therefore use simplified decision heuristics. It becomes clear that the analysis of the acquired information in the buying decision process allows to draw conclusions about the individual importance of this information.

The relative importance of individual attributes in the decision process, attribute importance weights, are a major metric for marketing researchers who intend to invest in new products, improve existing products, or segment markets. For its measurement, different established preference measurement methods such as choice-based conjoint and rating-based conjoint exist. However, they neglect the analysis of attention and have two disadvantages: Their application is relatively complex and the setup, execution, and analysis mostly require costly software and extensive analytical skills. Further, they lead to high cognitive and emotional load for respondents.

The aim of this first dissertation project is to develop a new method for the measurement of attribute importance weights: the restricted-click-stream analysis (RCA). It extends concepts of well-established mouselab experiment and focuses on the information seeking process.

In contrast to mouselab experiments, the number of fields that can be opened is restricted. Hereby respondents are forced to make trade-off decisions and to choose the information that contribute the most to their final purchase decision.

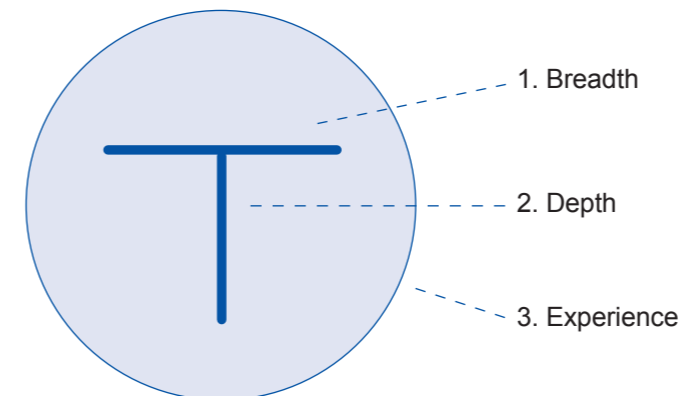
The new method shall fulfill two requirements. First, it should be easy to setup, execute and analyze for the researcher without a loss in validity compared to other methods. Second, the participation should lead to minimal cognitive and emotional load for respondents. These requirements are verified in an extensive empirical comparison with

established preference measurement methods. Preliminary results show, that the RCA offers a valid alternative for researchers hoping to gain insights on top of product preferences within a survey.

4. Teaching Innovation

Depending on the audience of each course, we developed well-fitting approaches to foster sustainable learning of the concepts, metrics, and methods taught.

The approach for the course **Foundations of Marketing and Digital Marketing** can be best characterized by the following figure:



The three concepts of breadth, depth, and experience are fundamental for this course. Breadth in **Foundations of Marketing** ensures that the course provides an overview of the key concepts in Marketing. In four out of six double sessions, we deep dive into one of the key concepts and develop knowledge about how to solve practical real-world problems using analytical skills. These deep dives cover the use of 1.) regression analysis for Marketing decision problems, 2.) customer lifetime value prediction and its critical reflection, 3.) determination of profit maximizing prices, as well as 4.) measurement of customer preferences.

Finally, experience enriches the concepts of breadth and depth: we challenge students to gain a deeper understanding by applying each of the course contents. Experience includes various interactions within and outside the classroom, experiments, and assignments.

In **Digital Marketing**, we first covered the Digital Landscape and the forces at play to obtain a proper understanding of the impact of digitalization. Depth was covered in the context of online advertisement and social media, and we identified the new paradigms of business and revenue models.

The course **Discrete Choice Experiments - From study setup to analysis and willingness-to-pay estimation** is designed to prepare doctoral students in conducting their own experiments on their research question. To successfully pass this course, doctoral students have to go through every single step of conducting an empirical study using discrete choice experiments, i.e., they have to plan, implement, and execute the study using various software packages. They also have to analyze the data using statistical methods and document their results in a report. Admittedly this is an ambitious task for just one course. To master this challenge and to maximize learning effectiveness, students have to prepare their study topic already in advance of the course. The course then contains various breakout sessions, in which students are challenged to directly apply what they've learned throughout the days on their own study context.

A great side effect of this approach is that doctoral students can instantly obtain valuable feedback from the instructor and their fellow course participants at the most critical stage of their research project.

Guest Lectures

In the spring term 2016, seven guest speakers provided managerial insights from their daily business experience on Marketing topics. On behalf of our team and students, the Chair of Digital Marketing would like to express their appreciation to the guest speakers for their inspiring talks!



April 4, 2016
Prof. Dr. Oliver Hinz: Viral Marketing & Seeding Strategies

The viral spread of content in social networks is an ongoing trend in Digital Marketing. But which users should I optimally target to spread my advertisements? How

can social contagion actually be measured empirically and how could firms exploit this? These and other questions were discussed during Prof. Dr. Oliver Hinz's guest lecture from TU Darmstadt on April 4, 2016 as part of the lecture "Digital Marketing".



April 5, 2016
Dr. Fabian Schulz: Behavioral Pricing

Does anyone ever buy the ridiculously expensive suitcase set from Louis Vuitton shops? Rarely, but handbags look cheaper next to it. Would consumers prefer an online shop that charges

shipping fees if it is cheaper than a more expensive shop without shipping fees? No, they pay more if shipping costs can be avoided. With such illustrative examples and surprising insights, Dr. Fabian Schulz from Simon Kucher & Partners explained during his guest talk as part of the lecture "Foundations of Marketing" on April 5, 2016 the psychology of pricing for irrational consumers like us



April 5, 2016
Christian Vögle: Yield Management

How does the major German train company (Bahn) handle competition of coaches and how does the company steer capacity usage of a train? Is it not a tremendous challenge for the company

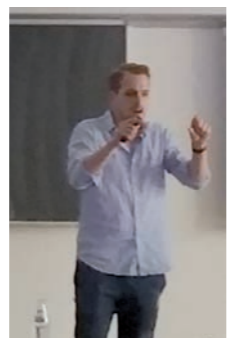
to manage pressure from politics and profitability goals at the same time? These questions were discussed during Mr. Christian Vögle's guest lecture from DB Fernverkehr AG on April 5, 2016 as part of the lecture "Foundations of Marketing".



April 6, 2016
Dr. Jens Rode: Internationalization Strategies

Dos & Don'ts when going international with a start-up was the inofficial title Dr. Jens Rode, CEO of Tellja GmbH, market leader in Germany for referral marketing, had given to his guest talk.

With that topic, he totally stroke a chord with the entrepreneurial students. During a very authentic and entertaining guest talk on April 6, 2016 as part of the lecture "Foundations of Marketing", he provided deep and honest insights into his daily working routine as CEO at Tellja GmbH and about the expected and unexpected challenges of the company's ongoing internationalization process.



April 11, 2016
Peter Haag: Mobile Marketing: how media consumption has changed the way of thinking for Marketeers

Peter Haag, Global Partner Manager ECommerce at Facebook and WHU Alumni, allowed on April 11, 2016 as part of the lecture "Digital

Marketing" deep insights from Facebook's view how the new role of Mobile Marketing affects the media consumption and our purchasing behaviour.



April 18, 2016
Dr. Christian Pütter: Digital Services and Organizational Changes

How does a global pharma enterprise, that is traditionally very carefully and conservative with its technical innovations, handle the challenge of digitalization? This

was discussed during Dr. Christian Pütter's exciting guest lecture from Bayer Business Services GmbH on April 18, 2016 as part of the lecture "Foundations of Marketing".



July 7, 2016
Dr. Christian Neuerburg: Choice Based Conjoint in a Mobile World

Mobile internet usage is rapidly growing and users more and more use their mobile devices to manage their online daily life. This is why the GfK, the biggest German

market research institution, analyses the impact of this change on the respondents behavior. On July 7, 2016 Dr. Christian Neuerburg presented his interesting guest talk „Choice Based Conjoint in a Mobile World“ from GfK as part of the doctoral course "Discrete Choice Experiments – From study setup to analysis and willingness-to-pay estimation".

	Foundations of Marketing (Group A)	Christian Vögle (DB Fernverkehr AG, Director Yield and Capacity Management): Yield Management
	Foundations of Marketing (Group B)	Dr. Fabian Schulz (Simon Kucher & Partners, Director E-Business and Telecommunications): Behavioral Pricing
	Foundations of Marketing (Group C)	Dr. Jens Rode (Director of Tellja GmbH): Internationalization Strategies
	Digital Marketing	Dr. Christian Pütter (Head of Digital Marketing, Bayer Business Services GmbH): Digital Services and Organizational Changes
	Digital Marketing	Peter Haag (Facebook, Industry Lead eCommerce): Mobile Marketing: how media consumption has changed the way of thinking for Marketeers
	Digital Marketing	Prof. Dr. Oliver Hinz (TU Darmstadt, Chair of Electronic Markets): Viral Marketing & Seeding Strategies
	Discrete Choice Experiments – from study setup to analysis and willingness-to-pay estimation)	Dr. Christian Neuerburg (GfK SE - Gesellschaft für Konsumgüterforschung): Choice Based Conjoint in a Mobile World

5. Research

5.1 Articles in Refereed Journals (Double-Blind)

- Schulz, Fabian / Schlereth, Christian / Mazar, Nina / Skiera, Bernd (2015): "Advanced Payment Systems: Paying too much today and being Satisfied Tomorrow", *International Journal of Research in Marketing (IJRM)*, 32(3), 238-250 [Lead article, VHB: A].
 - Best Paper Award of IJRM's Special Issue on Marketing and Innovation.
 - Top-3 finalist: IJRM Best Paper of the year 2015.
- Hinz, Oliver / Schlereth, Christian / Zhou, Wenyan (2015): "Fostering the adoption of electric vehicles: an application of best worst scaling and dual response on the role of complementary mobility services", *Journal of Business Economics (JBE)*, 85(8), 921-951 [VHB: B].



Joséphine Süptitz, EMAC in Oslo

5.2 Conference Presentations

- Marketing Science 2015
- VHB-Kommissionstagung 2015
- Theory and Practice in Marketing, Houston (2016)
- 2nd Passauer Digital-Marketing-Conference, Passau (2016)
- Guest lecture at the University of Cologne (Department of Retailing and Customer Management, Prof. Dr. Werner Reinartz), Cologne (2016)

In the months May and June 2016, the Chair of Digital Marketing was busy and presented his work on SADR at the ART Forum. Here is a short summary:

- Joséphine Süptitz presented her project on valuable Zombies at the Theory and Practice Conference in Marketing in Houston and at EMAC in Oslo.
- Sebastian Hein presented his project on Restricted Click Stream Analyse at EMAC in Oslo.
- Modan Huang (Chair of Marketing and Retail, Prof. Dr. Martin Fassnacht) presented her results about the perception of product newness at EMAC in Oslo.
- Prof. Dr. Christian Schlereth presented his work on SADR at the ART Forum in Boston (2nd place in the voting for the best conference presentation).



Theory and Practice in Marketing, Houston



Prof. Rex Du, Prof. Dr. Christian Schlereth, Prof. Dr. Bernd Skiera, Ass. Prof. Nino Hardt, ART Forum in Boston



Prof. Dr. Christian Schlereth, ART Forum in Boston



From left to right: Modan Huang, Ass. Prof. Tim O. Brexendorf, Prof. Martin Fassnacht, Sebastian Hein, Prof. Christian Schlereth, Joséphine Süptitz

5.3 Honors

Honors for Paper by Prof. Dr. Schlereth Top-3 Finalist for Best IJRM Paper of the Year 2015 Award for work on advanced payment systems

At the awards ceremony held at Europe's largest marketing conference, EMAC, on May 26, the paper, entitled "Advanced Payment Systems: Paying Too Much Today and Being Satisfied Tomorrow," was selected as a Top-3 Finalist in the competition for the IJRM Best Paper of the Year Award for 2015.

The article investigates the "irrational" desire of electricity customers for refunds and the sweeping implications that this poses for power companies. In three empirical studies, an international team of researchers evaluated survey and billing data for more than 20,000 German electricity customers with an eye to the customers' reactions to refunds and back payments. The researchers found that a moderate increase in monthly deductions benefits both power companies and their customers.

The paper was co-authored by Christian Schlereth of WHU – Otto Beisheim School of Management together with Fabian Schulz and Bernd Skiera (both of Goethe University Frankfurt) and Nina Mazar of the University of Toronto Rotman School of Management. It appeared in last September's issue of the *International Journal of Research in Marketing*.



6. Services provided to the School

6.1 Involvement on University Committess, Including Ad Hoc Committees

- Member of the working group “Curriculum Doctoral Program”
- Chairman of the disputation: Sebastian Unterhuber 01/13/2016 (Prof. Dr. Martin Fassnacht) and Anna Gerhard 04/15/2016 (Prof. Dr. Peter-J. Jost)
- Member of the Doctoral Committee
- Deputy member Senate (in support for Prof. Dr. Martin Fassnacht)
- Contribution to The German Research Foundation (DFG) scholarship acquisition (presented in the Faculty Meeting on February 12, 2016 by Prof. Dr. Christian Andres)

6.2 Successful Fundraising on Behalf of WHU

Support for project cooperation with XING AG for

- a German scholarship program and
- Master your career fair

together with Dr. Peter Kreutter (Director WHU Foundation) and Heike Hülpmusch (Director Career Center WHU).

6.3 Serving as Representative or Contact Person for a Foundation, for Example a Scholarship Foundation, at WHU

- Liaison lecturer of the Konrad Adenauer Foundation (36 students on support)

On September 1, 2015, Prof. Dr. Christian Schlereth has taken over the position as liaison lecturer of the Konrad-Adenauer Foundation and supervises the Koblenz group of BSc, MSc, and Doctoral Program scholarship students. The Konrad-Adenauer Foundation awards scholarships to students and graduates with exceptional academic achievements and outstanding political or social commitment. German scholars are expected to endorse Christian Democratic social and political values. The scholarships are awarded to young German students, journalists and graduate students as well as to young graduate students from abroad who study in Germany.

The scholarship students at the WHU – Otto Beisheim School of Management are organized in a group and regularly participate in academic lectures as well as cultural and social activities organized by the scholarship student representatives Anna Lena Hackelsberger and Carolin Fritschy.

7. Community outreach

Willingness to Pay is Predictable

Which products are especially appealing to customers? Will an innovative product survive in the market? And what price are customers willing to pay? Currently most market research agencies and consulting firms use discrete choice experiments (also known as choice-based conjoint) to measure consumer preferences and willingness-to-pay. This method provides a quantitative base for management decisions to estimate market success or assess alternative decisions.

A new study by Professor Dr. Christian Schlereth, Chair of Digital Marketing at WHU– Otto Beisheim School of Management and Professor Dr. Bernd Skiera (Goethe University Frankfurt) outlines that today's use of discrete choice experiments can suffer from context effects, extreme response behavior, and problems with estimating willingness to pay accurately in particular of consumers with a high purchase probability. The later shortcoming implies that willingness-to-pay is measured well for respondents, who will not purchase the product, but not so accurate for those if they have a high purchase probability.

The team of researchers proposes two innovative methodological features to avoid these limits, both implemented in their new method separated adaptive dual response (SADR) and extensively tested in three empirical studies.

Professor Dr. Schlereth explains how discrete choice experiments are conducted and gives an introduction to the new separated adaptive dual response method:



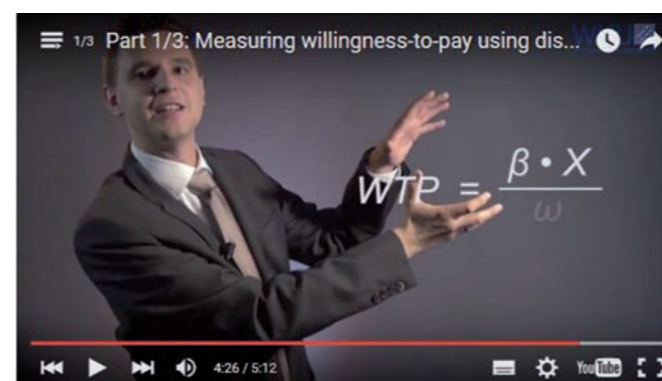
Buyer's Bonus for Electric Cars New study offers initial forecast of its impact

Related to a recent research project in the month November 2015 to January 2016 we developed a three part video serie – with more than 2700 views by September 1, 2016 and a media coverage in Focus Money (issue 20/2016) and other various media websites.

A study by WHU – Otto Beisheim School of Management and TU Darmstadt published in the Journal of Business Economics shows: Purchase incentives involving exclusive mobility services have a significantly stronger effect than purchase incentives involving pricing.

The buyer's bonus recently concluded by the German federal government and the automobile industry, in the amount of EUR 4,000 for electric cars, can only increase the demand for electric cars by an amount in low to mid five-figure range. A study by WHU – Otto Beisheim School of Management and TU Darmstadt published in the Journal of Business Economics forecasts the impact of incentives such as price reductions on sales volumes: According to the researchers' findings, the recently adopted buyer's bonus will increase the demand for electric cars by no more than 10,000 to 50,000 units per year; this figure represents just around 1 percent of the projected 3.2 million new registrations.

Prof. Dr. Christian Schlereth of WHU explains: “In contrast to the environmental or scrapping bonus passed in 2009, the new buyer's bonus is limited to electric cars, all of which tend to be offered in the premium segment and are interesting only to customers who can imagine purchasing a second car for shorter trips. But price elasticity of demand is significantly lower for members of this customer group; in other words, price is not the ultimate purchase argument.”



Youtube video series



A factory tour of the scholarship students at amazon Koblenz



Social event with the scholarship students

Yet the current study identifies an even greater incentive for the purchase of electric cars: exclusive mobility services that improve the driving experience of electric cars and the overall driving experience. “When it comes to the effort to encourage purchase decision-making, our data show that innovative concepts, such as parking-space location and payment, intelligent charging stations and augmented-reality services integrated into the windshield are four times as powerful as price discounts of, say, EUR 10,000.”

The study was published by Prof. Dr. Christian Schlereth (WHU) together with Prof. Dr. Oliver Hinz and Wenyan Zhou (both TU Darmstadt) in the recent, November issue of the Journal of Business Economics.

Prof. Dr. Christian Schlereth served as jury member for the “Digital Leader Award”

Berlin’s AXICA conference center, not far from the Brandenburg Gate, provided the festive backdrop for the very first presentation ceremony of the Digital Leader Awards, which was attended by around 300 guests on June 29, 2016. The patron of the competition, which was initiated by IDG Deutschland and Dimension Data Germany, is Sigmar Gabriel, Vice-Chancellor and Minister of Economic Affairs and Energy.

An interdisciplinary jury was given the task of choosing the prizewinners in the six categories Create Impact, Shape Experience, Invent Markets, Empower People, Spark Collaboration and Digitize Society from a total of 93 candidates.

WHU – Otto Beisheim School of Management was represented on the jury by Professor Dr. Christian Schlereth, acting as the academic partner of the Digital Leader Award. The holder of the Chair for Digital Marketing was impressed by the diversity of ideas and digital innovation. “It is good that so many companies in Germany have recognized digitization as a core challenge and are now paying serious attention to it. It is in this area that the prizewinners demonstrated their skills



in developing creative – while at the same time commercially viable – concepts.”

Dr. Peter Kreutter, Director of the WHU Foundation, presented the prize for the category “Digitize Society” in the course of the gala evening. In his honorific speech he expressed the hope that non-profit organizations would also experience a “digital shock” to enable them to actively exploit the opportunities of digital transformation in the social sector, too.

There was reason for WHU to be pleased in another category: Professor Dr. Matthias Mehrtens, advisory board member in the WHU Wipro Center for Business Resilience, together with his team from Kärcher won the Digital Leader Award in the category “Shape Experience”.

WHU will be offering a special Executive Education Program in fall 2016 for managers wishing to develop their own skills in the field of digital transformation.



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