

Dissertation Proposal

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Essays on Brand Alliance in Marketing

My dissertation aims to understand marketing activities that involve two or more disparate entities with linked association, resulting in joint promotion and branding. I investigate two such types of activity, an alliance between a celebrity and a brand, and an alliance between credit card companies and merchants. Both attempts to measure and identify the impact the promotion has on the consumer's decision process.

In the first essay, we quantify the economic worth of celebrity endorsements by studying the sales of endorsed products. We do so with the use of two unique data sets consisting of monthly golf ball sales and endorsers' quality levels. Our identification of the causal effect of a celebrity on the endorsed product is grounded on the endorsers' random performance over time that captures the variation in sales of the product. We find that there are substantial celebrity endorsement effects. We determine that endorsements not only induce consumers to switch brands, but also have a primary demand effect.

In the second essay, using daily customer transaction and program cost data from 2009-2011, we study the effects on consumer behavior of a novel Merchant Network Rebate Program implemented by a multinational bank in Singapore. With the only restriction being that it prohibits aggregation of rebate amount across cards, the rebate is instant with the same benefits offered to all bank issued credit cards, supplementing the existing card level benefits. The analysis takes advantage of the unique features of the program and the richness of data to understand how consumers spontaneously frame the options they face and how this impacts the decision process in and out of the program participating merchants. This has large managerial implication of how to better design the program.