BUILDING IMPLEMENTABLE MARKETING MODELS

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To our daughters Suzy M. Naert and Barbara C. Leeflang

Preface

The observation that many models are built but few are used has almost become a commonplace in the management science and operations research literature. Nevertheless, the statement remains to a large extent true today, also and perhaps even more so where marketing models are concerned. This led Philippe Naert, now about four years ago, to write a concept text of a few hundred pages on the subject of how to build implementable marketing models, that is, models that can and will be used. One of the readers of that early manuscript was Peter Leeflang. He made suggestions leading to a more consistent ordering of the material and proposed the addition of some topics and the expansion of others to make the book more self-contained. This resulted in a co-authorship and a revised version, which was written by Peter Leeflang and consisted of a reshuffling and an expansion of the original material by about fifty per cent. Several meetings between the co-authors produced further refinements in the text and the sequence of chapters and sections, after which Philippe Naert again totally reworked the whole text. This led to a new expansion, again by fifty per cent, of the second iteration. The third iteration also required the inclusion of a great deal of new literature indicating that the field is making fast progress and that implementation has become a major concern to marketing model builders. This new material related, among other things, to subjective estimation and issues concerning the likelihood of implementation.

The book is intended for use in models (or management science) in marketing courses both at the graduate and advanced undergraduate level. The material will normally be supplemented by an in-depth study of some specific models from a book of readings or from periodicals. Parts of the text can also be assigned in advanced marketing management courses or marketing research courses. The book is further intended for practitioners, both marketing managers and marketing model builders.

The main message of the text requires little background in mathematics. Some elementary knowledge of calculus and statistics will, of course, greatly facilitate full understanding of a number of the examples. Parts of Chapters 11 and 12 are somewhat more advanced, but these can be skipped without much loss to the generality. It goes without saying that the reader is expected to have a basic knowledge of marketing operations.

The authors would like to thank their colleagues and former colleagues at M.I.T., the European Institute for Advanced Studies in Management, the Centre for Managerial Economics and Econometrics of UFSIA, the University of Antwerp, respectively the Interfaculty for Graduate Studies in Management, Delft, and the Faculty of Economics at the University of Groningen for providing intellectually stimulating environments in which much of the thinking on the subject took shape. We are also indebted to former students whose suggestions improved the readability of several sections. Many people have contributed by their comments on various drafts. They are too numerous to thank them all individually. Two individuals, however, should be singled out: Alain Bultez and Johan Koerts, respectively Philippe Naert's and Peter Leeflang's friend, with whom we have been researching problems and issues in marketing model building over the past several years and who deserve special thanks. We have greatly benefited from the continuous exchange of ideas.

We also would like to thank Jessie Goveas for deciphering many often barely readable scribbles and putting them into an excellently typed form. We are very grateful for her efficiency, good humor and continuous encouragement.

Finally, we would like to thank each other for the cooperation in preparing the manuscript. It enabled us to cross the barriers of national boundaries in many different ways.

> Philippe A. Naert, Brussels Peter S. H. Leeflang, Groningen September, 1977

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