

CNS as Venture Capitalist

Min Ding

© Springer Science+Business Media New York 2014

Dear Colleagues,

It gives me great pleasure to say that we have fully achieved our goals for the first year of *Customer Needs and Solutions (CNS)*. This would not have been possible without the incredible support of so many colleagues, both on our editorial board and in the broader academic community. Most importantly, we owe our immense gratitude to the authors who took a leap of the faith and published their work in the first volume of the journal. Journals are defined by the caliber of authors and the quality of the work published in them; after just one year, *CNS* has already earned a top-tier reputation. We extend our sincere thanks to all of our contributors (see Appendix; all content is available at Springer: <http://link.springer.com/journal/40547>).

With the launching stage successfully behind us, I am using this letter to share our plan for the next stage: the implementation of our own version of a *venture capitalist (VC) strategy*. Using this strategy, we will work toward fulfilling our mission to “be the premium outlet for scholarly work on critical issues related to customer needs (broadly defined to include the needs of both consumers and business customers) and solutions that address such needs, with the aspiration of achieving a status in management similar to that enjoyed by journals like *Science* or *Nature*” (*CNS* editorial policy).

We call it a VC strategy because there are many similarities between journal publication philosophies and investment philosophies. Like mutual funds, existing top academic journals adopt a strategy characterized by low risk with medium- to high-potential payoffs. They typically prefer to minimize risk by rejecting papers that are controversial or have uncertain upside value. Furthermore, top journals already have enough

submissions that meet their publication standards and therefore are less motivated to take risks. However, *CNS* adopts a high-risk (very) high-potential payoff strategy. Similar to the role played by VCs in the investment arena, *CNS* provides an indispensable complement to traditional top academic publication outlets with a similar long-term return on investment.

This VC strategy is not just a philosophical orientation; it also contains a set of actions. While wholeheartedly welcoming any submissions that fit our mission, *CNS* will now actively seek out and encourage work in *eight* specific research areas. This means we will take even more risk with works that fall within these areas. Moreover, we will proactively encourage such work by organizing conferences, publishing special issues, providing funding, etc.

These eight topics were selected after careful and broad consultation with editorial board members, authors, and other scholars during the second half of 2014. Several criteria were used to select these research areas: (1) they must have potential for big impacts, (2) there must be a lack of coverage/emphasis by traditional top-tier journals, and (3) we must be capable of publishing several seminal papers and becoming the preferred publication outlet for research in these areas. As a result of this process, we have identified two areas related to customers, three areas related to solution providers, and three areas related to general scholarly approaches.

Dave Schmittlein (2014) articulated our guiding principle quite well in our inaugural issue: “If you try some new things, you will, if you wish, see which of those things resonate with people. Then you have the opportunity to do more of those and to do things that are follow-on that would have, let’s say the journal be a learning organization. There’s two pieces that you have to have for that. One is the willingness to experiment, and the other is the willingness to look at the results of the experiment and doing something different based on the outcome” (p. 10). What I am describing in this letter is not set in stone. Rather, it is part of our quest to fulfill the mission of

M. Ding (✉)
Smeal College of Business, Pennsylvania State University,
University Park, PA, USA
e-mail: minding@psu.edu

CNS. As we move forward, we will drop research areas that do not serve our purpose, revise those that require a shift in focus, and add new ones that are more promising. Just like a VC, if two of the eight areas turn out to be hugely successful in the next few years, *CNS* will have succeeded brilliantly.

1 Consultants for Customers

Firms have long benefited from the help of academics, consultants, and professional managers, but individual customers have traditionally been the “little” guys, who generally must make decisions with no professional help. Therefore, *CNS* encourages academic research that can benefit customers. We believe scholars can play the role of trusted partners and problem solvers for customers, in a way, as the buyers’ agents. Research in this area will provide a counterbalance in commerce and serve as a form of self-regulation at the discipline level to ensure its social purpose.

2 Understudied Customer Segments

We typically study market segments with the highest potential for profit. However, we have not paid enough attention to segments comprised of customers who could benefit substantially from a solution but cannot (or will not) pay high enough prices. *CNS* thus encourages the study of preference formation and decision-making among the underprivileged (e.g., from a financial or information perspective). We are also interested in research focused on less-understood national customers in developing countries (e.g., BRICS and other emerging markets).

3 Firms with Social Purpose

Social enterprise (entrepreneurship) is playing an increasingly prominent role in our society (In the USA, almost twenty states have passed benefit corporation legislation since 2010). In addition, many traditional firms are beginning to incorporate social purposes into their missions. For such firms, the goal is no longer simply to maximize profits while being socially responsible; rather, it is to provide fair, valuable solutions to customers, partners, and those in need and to serve some greater purpose in society.

4 (City) Government to Customer

As the trend toward urbanization continues, city governments are at the core of providing a wide variety of solutions to their

citizens. Research in this area is much needed to enable governments better serve their citizens.

5 Power of One

Certain individuals have tremendous influence in the operation of our society. We encourage the development of tools for four types of individuals: CEOs, politicians, physicians, and famous personalities (e.g., sports, entertainment, Internet, etc.). Can we help CEOs do their jobs better? Can we help people get elected or help politicians pass bills? Can we help physicians better address the health needs of their patients? Finally, can we better understand the role of famous personalities and develop tools they can use?

6 Middle-Range Theory Generation

Theories are important, but in general, scholars in our disciplines use theories developed in other fields. As an empirical discipline, it is quite conceivable that we could follow the traditions of both natural science (e.g., biology) and social science (e.g., sociology) to build middle-range theories from our data and insights. Middle-range theories that are grounded in data can then inform formal and grand theories and thus contribute to more basic disciplines.

7 Computer Science

In recent years, computer scientists have been studying many problems traditionally considered the purview of business scholars. *CNS* posits that computer science should have a role in our discipline on par with statistics, economics, and psychology. *CNS* also encourages the adoption of engineering philosophy to scholarly work in our discipline. An emphasis on the utility of a solution rather than its theoretical merit should complement the more theory-driven approach that is common in other top-tier journals.

8 Macro and Future Studies

Given increases in computational power and the availability of comprehensive data, it makes sense to study macro problems (e.g., trend formation, city-level consumption) and align us with the general study of complex systems (e.g., emergence). The future studies (a somewhat controversial specialty) are a natural extension of the predictive task and deserve rigorous scholarly treatment as well.

While it pains me to quote someone who thinks tenure is a bad idea, Jack Welch does make it quite salient when he said

“Control your own destiny or someone else will.” By being proactive and adopting a VC strategy with these eight focal areas, *CNS* hopes to control its own destiny. At a broader level, the same can be said about our discipline. The scholars who study customer needs and solutions are traditionally marketing faculty in business schools; however, scholars from other disciplines (e.g., computer science) are now studying these same problems, along with researchers hired and funded by big companies such as Microsoft and Google. *CNS* intends to help control the destiny of our discipline by making itself the destination of *anyone* who is doing cutting-edge research related to customer needs and solutions.

With your continued support, the best is yet to come.

Min Ding, EIC

9 Appendix. List of Papers in Volume 1

Volume 1. Issue 1.

Editorial

Customer Needs and Solutions—Mission, Vision, and Strategies

Perspective

David Schmittlein. *David Schmittlein on Marketing*

Research Articles (listed in alphabetical order by last name of the first author)

Anindita Chakravarty, Rajdeep Grewal, Suprateek Sarker, V. Sambamurthy. *Choice of Geographical Location as Governance Strategy in Outsourcing Contracts: Localized Outsourcing, Global Outsourcing, and Onshore Outsourcing*

Geraldine Fennell, Greg M. Allenby. *Conceptualizing and Measuring Prospect Wants: Understanding the Source of Brand Preference*

Christopher Groening, J. Jeffrey Inman, William T. Ross, Jr. *Carbon Footprints in the Sand: Marketing in the Age of Sustainability*

V. Kumar, Anita Pansari. *The Construct, Measurement, and Impact of Employee Engagement: A Marketing Perspective*

Donald R. Lehmann, Shuba Srinivasan. *Assessing Brand Equity through Add-on Sales*

Delphine Manceau, Jehoshua Eliashberg, Vithala R. Rao, Meng Su. *A Diffusion Model for Preannounced Products*

Volume 1. Issue 2.

Research Articles (listed in alphabetical order by last name of the first author)

Rajshree Agarwal, Barry L. Bayus, Mary Tripsas. *Abandoning Innovation in Emerging Industries*

Christopher Groening, Pinar Yildirim, Vikas Mittal, Pandu Tadikamalla. *Hedging Customer Risk*

Sudipt Roy, Tat Chan, Amar Cheema. *Price Expectations and Purchase Decisions: Evidence from an Online Store Experiment*

René Schaaf, Bernd Skiera. *Effect of Time Preferences on Optimal Prices and Profitability of Advance Selling*

Venkatesh Shankar, P. K. Kannan. *An Across-Store Analysis of Intrinsic and Extrinsic Cross-Category Effects*

Shrihari Sridhar, Murali K. Mantrala, Prasad A. Naik. *Efficiency Analysis of Marketing Organizations with Interconnected Departments*

Volume 1. Issue 3.

Perspective

Greg M. Allenby, Eric T. Bradlow, Edward I. George, John Liechty, Robert E. McCulloch. *Perspectives on Bayesian Methods and Big Data*

Research Articles (listed in alphabetical order by last name of the first author)

Sandeep R. Chandukala, Jeffrey P. Dotson, Qing Liu, Stefan Conrady. *Exploring the Relationship between Online Search and Offline Sales for Better “Nowcasting”*

Yuxin Chen, Pradeep Bhardwaj, Sridhar Balasubramanian. *The Strategic Implications of Switching Costs under Customized Pricing*

Min Ding. *Symbiotic Theorization*

Charlotte Gaston-Breton, Priya Raghurir. *The Price Knowledge Paradox: Why Consumers Have Lower Confidence in, but Better Recall of Unfamiliar Prices*

Katherine E. Loveland, Naomi Mandel, Utpal M. Dholakia. *Understanding Homeowners’ Pricing Decisions: An Investigation of the Roles of Ownership Duration and Financial and Emotional Reference Points*

Raji Srinivasan, Nita Umashankar. *There’s Something In A Name: Value Relevance Of Congruent Ticker Symbols*

Volume 1. Issue 4.

Perspective

Zoe Chance, Margarita Gorlin, Ravi Dhar. *Why Choosing Healthy Foods is Hard, and How to Help: Presenting the 4Ps Framework for Behavior Change*

Research Articles (listed in alphabetical order by last name of the first author)

David R. Bell, Olivier Ledoit, Michael Wolf. *A New Portfolio Formation Approach to Mispricing of Marketing Performance Indicators: An Application to Customer Satisfaction*

H. Onur Bodur, Neeraj Arora. *Asymmetric Impact of Reference Point Confidence on Consumer Evaluations*

Qimei Chen, Yi He, Dana L. Alden. *Social Presence in Service Failure: Why It Might Not Be a Bad Thing*

Sachin Sancheti, K. Sudhir. *Education Consumption in an Emerging Market: Evidence from India*

Joffre Swait, Tulin Erdem, Tom Peters. *Shocks to Brand Equity: An Information Economics Perspective on the US Auto Industry 2006–2011*

Karen Page Winterich, Vikas Mittal, Vanitha Swaminathan. *Friends and Family: How In-Group-Focused Promotions Can Increase Purchase*