

The Marketing Association of Columbia (MAC) is pleased to present its Spring 2007 newsletter. In this issue:

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## President's Address



**Lisa Grey '07**

Dear Reader,

We are proud to send you the spring edition of the Marketing Association of Columbia's biannual newsletter.

With events such as hosting the Second Annual Marketing Conference, bringing high-visibility speakers like David Neeleman (CEO of JetBlue) to campus, developing a closer partnership with the marketing faculty, and working with the Dean's office to plan the event announcing Columbia's new brand identity, we hope that we have helped raise the visibility and reputation of Marketing at Columbia.

I am also pleased to introduce you to **Michelle Kwong Rutherford '08**, MAC's next President. Along with the new board of VPs and AVPs, Michelle will work to build on MAC's foundation as one of the school's most active professional clubs.

This edition of our newsletter highlights the Columbia Business School Brand Showcase, spotlights a Columbia marketing professor, profiles an alumnus who is doing great work as the Executive Director of the Children's Brain Tumor Foundation, discusses trends in marketing, and announces our new 2007-2008 MAC Board. We welcome your comments and hope to see you back on campus

for the Third Annual Marketing Conference next fall.

Warmest regards,

Lisa Grey '07  
President  
Marketing Association of Columbia

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## Columbia Business School Brand Showcase

**By Joao Sebastian '08**



What is the Columbia Business School brand? What does it stand for? How are we students, alumni, faculty, and staff a part of it? How can we support our brand, make it stronger, and create more buzz and awareness both inside and outside of the Columbia Community?

These and other questions were brought up and discussed during this April's official presentation of the new and improved Columbia Business School Brand identity. With a fresh new look, an updated Hermes logo, and more dynamic lettering, the new Columbia Business School Brand identity made its debut on April 12, the first day of this year's admitted students' open house.

The new Columbia Business School logo was revealed all over school—on signs, balloons, t-shirts, tattoos, cookies, and leaflets. It was impossible to come to school and not notice something was going on. In addition to the free merchandising, the festivities for the Columbia Brand Showcase included: an open house breakfast with Dean Hubbard celebrating the new brand identity; a video of interviews with students, faculty, and staff that played on repeat in both Uris and Warren lobbies; the "test your PSI" initiative, a week-long set of Open House Master Classes; a presentation about the evolution of Hermes; a Q&A session about Manhattanville with the VP of facilities management; and the (awesome) Follies' "Make me Over" video.

<http://www.cbsfollies.com/media/Brand/Brand.wmv>

More than just a change in the logo, the new Columbia brand identity stands for a network of students, alumni, professors, and staff united around business excellence and the entrepreneurial mindset that characterizes

Columbia Business School. Making the business world aware of the strengths and the far-reaching benefits of a Columbia MBA is the responsibility of every single one of us. This is the motto of the Columbia Business School Brand and now it is really up to us to boost the value of our "Shared Asset".

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## Professor Spotlight: Oded Netzer



**By Elena Ferchteter '07**

Students who enroll in the Marketing Research course at CBS not only gain a thorough understanding of the marketing research methods, but also get an opportunity to make an impact in the real business world. Students are encouraged to do a project for a company that has identified a research problem and contacted the Business School. "I've heard a lot of good feedback from companies regarding my students' projects," – says professor Oded Netzer, who teaches the course – "Many recommendations that students make actually get implemented."

Professor Netzer joined the CBS in 2004. After obtaining a degree in industrial engineering from Technion (Israel Institute of Technology) in 1997, he worked for a consulting company, focusing on advising chain stores on choosing the location and marketing strategy of their branches, and land owners on value-maximizing use of their land. It was actually dissatisfaction with the models that he used on the job that drew Oded Netzer back to academia. "I felt that the models were too simplistic for the complexity of the problems we were looking at." He decided to pursue graduate studies to learn about and subsequently develop better tools.

Oded received a master's degree in Statistics from Stanford University in 2002, and PhD degree in Marketing in 2004. His dissertation research was focused on the fund raising program of the Stanford Alumni Association. The objective of the research was to explore the link between the School's activities targeting alumni (such as reunions) and donations to the School. After analyzing over 26 years of data, Oded identified different state of relationship of alumni with Stanford and built a model that explained what influenced alumni's donations. This research yielded useful results for Stanford. For example, it was discovered that resources are best used to target alumni who make only occasional donations rather than focusing on the already loyal givers who were previously the main target for the alumni association.

Professor Netzer continues this research at Columbia, focusing on different industries. His other research interests include modeling various aspects of choice behavior over time and contexts, as well as customer relationships and preference measurement.

When asked what attracted him to Columbia, Professor Netzer replied, "The people." He describes the culture of the Marketing division as "very warm and open-door like. It is an outstanding group of people, and there is strong collaboration among the people in the group."

Besides teaching the Marketing Research class to MBAs and EMBA's, Professor Netzer teaches a core Marketing course to undergraduate students.

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## Alumnus Spotlight: Joseph Fay '84



**By Howard Blumenstein '08**

Joseph Fay applied to Columbia Business School (and only to CBS) while living in Maine and serving in the Navy based on advice from the VP Marketing for LL Bean that he "go to the best business school he could get into" and because of Columbia's prime location in the world's capital. To this day, Joe still reaps the benefits of his Columbia education.

After graduating from Boston College with his B.A in History, Joe served for five years as a U.S. Navy officer before coming to CBS in January of 1983. After graduation, he worked for eight years in Consumer Packaged Goods, first with Procter & Gamble and then with Heinz USA. It was at Heinz while heading up the United Way campaign that Joe discovered his true calling, the non-profit sector.

When asked what led him to non-profit work, Joe states "the ability to use my marketing and business skills for issues that matter to me." He called upon those skills when he established a cause marketing program and helped introduce consumer marketing research at the Red Cross and when he built a multi-functional marketing team from the ground up at the American Lung Association. In Joe's current role as the Executive Director of the Children's Brain Tumor Foundation, he has general management responsibility for the entire organization and reports directly to the board, which he says is "more fun" than your average board due to their personal dedication to the cause.

Joe does believe there are more similarities between non-profit and for-profit work than most people realize, but a few of the main differences he lists are the difficulty in securing and deploying funds to support paid advertising and the fact that those who pay for his services (donors) are not necessarily those who use it. Acknowledging that no one should get wealthy working in the non-profit sector, Joe considers the non-profit world a great place to be, with very good employment prospects and the ability to make a living while creating value not for shareholders, but for the good of the world.

Reflecting back on CBS, Joe says it “absolutely” exceeded his expectations, both during and after his time on campus. He believes his CBS degree “still matters today” and “not a day goes by when he does not think back to something he learned at CBS.” When asked to offer advice to current students, Joe not surprisingly encourages those with a passion for making a difference to explore the non-profit world, which he says has recently become a welcome place for MBAs.

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## Marketing Trends: The Long Tail

**By Derya Ozkaya '07**

The Long Tail name is derived from statistics: Frequency distribution of the observations is concentrated around the center, where the “tail” represents rare or infrequent items. Long-tail business model is a phenomenon that is based on this idea: Generating the significant portion of the sales from the rare or infrequent items, or simply “selling less of more” as the name father Chris Anderson describes it.

In the traditional (offline) business models, sales generally follow a Pareto Distribution: 80% of the sales come from the most popular 20% of products or services. So, why do internet models change this phenomenon? Why can the Long Tail business model succeed in the online world but not offline? This is due to several simple facts: restrictions of physical space, nature of the traditional business models and the industry structure. In the offline world, stores incur high costs (especially in the premium locations) that have to be reflected in the price of the merchandise, and shelf and storage space is limited. Also, the industry is structured in such a way that companies have to carefully choose their merchandise to manage their inventories and make sure that the items are sold. In the case that they are not sold, it could be very difficult to return them. Further, every other aspect of the business is more expensive – from marketing to sales and distribution. That’s why companies always try to focus on the most popular 20% of the products and services that

will generate the majority of their business and forgo the tail. In internet business models, however, most of these costs are very low or non-existent. That's why companies have the luxury to offer everything to their customers. The Long Tail generates the majority of their revenues because there are niches within niches in their target markets.

Many companies successfully implemented this idea such as Google, Amazon and Netflix. For example, Amazon relies on the idea of selling more of less. The infrequent items on the tail of its business generate the majority of its sales. Also, the algorithms it has in place to offer customers more customized recommendations helps to even further strengthen this concept.

A significant success of these business models is also leveraging social-network communities where consumer referrals and buying behavior produce marketing leads that will eventually increase the size of the tails and increase profits. Google Ad-words is a good example of this business model. Google not only focused on the big advertisers, but it also generated its ad revenues from the small advertisers and successfully implemented the concept of selling less of more.

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## The MAC Awards

This April, MAC surveyed its members for the first annual MAC Awards. And the winners are:

- **Most Engaging and Dynamic Professor** – Professor Hitendra Wadhwa  
**Runners-up:** Professor Eric Johnson, Professor Bernd Schmitt
  - **The Class That Prepared You Most For Your Future Career** – Customers & Markets: Behavioral Decision Making & Economics, Professor Eric Johnson  
**Runners-up:** Marketing Research, Professor Oded Netzer; Pricing Strategies, Professor Hitendra Wadhwa
  - **Best Marketing Class You've Taken at CBS** – Customers & Markets: Behavioral Decision Making & Economics, Professor Eric Johnson  
**Runners-up:** Pricing Strategies, Professor Hitendra Wadhwa; New Product Development, Professor Olivier Toubia
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## MAC Elects 2007-2008 Club Officers

Following the general elections held in April, MAC is pleased to announce the new board members for the 2007-2008 academic year. Please join us in welcoming our new officers:

**President:** Michelle Kwong Rutherford

**VP Alumni Affairs & Mentoring:** Howard Blumenstein

**VPs Career Development:** Maria Levinstein and Antonio Lopez Reus

**VP Communications:** Darlene Litam

**VPs Conference:** Mette-Louise Moeller and Hillary Posternak

**VP Finance & Membership:** Seth Eisenstein

**VP J-term:** Aparna Desai

**VP Marketing Marketing:** Katharine Burrage

**VP Special Events:** Veena Mosur

**VP Speaker Events:** Rebecca Alexander

We wish the new board the best of luck for 2007-2008!

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## Academic Year 2006-2007 Events

**By Darlene Litam '08**

The 2006-2007 academic year was an active and rewarding one for MAC. Throughout the year, MAC members attended discussion panels, guest lectures, student-alumni dinners, and many other exciting events including the Columbia Brand Showcase. Some of the Spring 2007 semester highlights included:

- **David Neeleman, CEO of JetBlue** spoke about building a unique brand and revolutionizing the air travel experience
- **Lunch 'n Learn with Time Warner Media Group** where John Partilla, President, and Mark D'Arcy, Chief Creative Officer, spoke about how the company creates idea-driven, integrated programs for its marketing partners
- Professors Kivets and Netzer led panel discussions on **The Behavioral Economics of Choice and Incentives** and **How Context May Affect Consumer Choices**
- Guerrilla Tactics Marketing hosted **Grassroots Marketing, Extraordinary Engagement, and Navigating the Ethnic**

- Landscape** discussions
- Chris Anderson, Editor-in-Chief of *Wired Magazine* discussed **Why the Future of Business is Selling Less of More**
  - The **Ethics in Marketing Panel**, moderated by Professor Ansari included viewpoints of Professor Richard Hochhauser and Joe Plummer
  - **MAC sponsored I-Prep Session** where members volunteered in a job-readiness program for welfare-to-work individuals
  - **Marketing Electives & Cocktails** informed students of the exciting Marketing courses for the 2007-2008 academic year and announced winners of **The MAC Awards**
  - **Beth Comstock, President of Integrated Media, NBC Universal** spoke about the transformation taking place regarding how media companies do business
  - **Dan Henson, CMO of General Electric** was featured in an exciting national live video chat
  - **Alumni Dinners** with Sandeep Varma '98, VP Consumer Marketing at Barnes & Noble, and Rick Mehler '98, Director of Marketing at Atari, Inc.
  - Current MAC members and admitted marketing students from the class of 2009 mingled at the **MAC Open House Happy Hour**
  - MAC members joined other CBS clubs for the unveiling of the new Columbia Business School logo at the **Columbia Brand Showcase**

For a comprehensive list of MAC events, please visit our website:  
<http://www0.gsb.columbia.edu/students/organizations/mac/>

We always welcome your feedback regarding the events we organize. Whether you have a comment about a specific event or a general suggestion, we want to hear from you! Please contact our newly elected President, Michelle Kwong Rutherford ([MKwongRutherford08@gsb.columbia.edu](mailto:MKwongRutherford08@gsb.columbia.edu)) or any of our officers.

**MAC**  
Marketing  
Association  
of Columbia

We would like to hear from you!  
Please visit our website:  
[www.gsb.columbia.edu/students/organizations/mac](http://www.gsb.columbia.edu/students/organizations/mac)  
E-mail Darlene Litam, VP of Communications:  
[DLitam08@gsb.columbia.edu](mailto:DLitam08@gsb.columbia.edu)

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