

The Hong Kong University of Science and Technology
Department of Information Systems,
Business Statistics and Operations Management

Seminar Announcement

***Resonance Marketing In the Age of the Truly Informed Customer:
Creating Profits through Differentiation and Delight***

by

***Professor Eric K. Clemons
The Wharton School***

Date: 12 May 2009 (Tuesday)

Time: 11:00 am – 12:15 pm

Venue: Room 4379, ISOM Conference Room (L17/18)

~~~~~ All interested are welcome ~~~~~

**Abstract**

Information changes what customers know about products in the market and these changes profoundly alter customers' purchasing behaviors. The truly informed customer increasingly is following one of two very different strategies with each of his or her purchases:

- For items in categories that the customer considers important, he finds precisely what he wants and pays a premium price
- For items in categories that the customer finds less important, he finds an acceptable product or service at the lowest possible price.

The result of this change in customer information endowment changes the strategies available to producers and retailers of products and services. In particular:

- Modern production technologies and logistics management allow *hyperdifferentiation*, the production of almost anything that the firm wishes to create.
- *Resonance marketing* drives hyperdifferentiation, by allowing the firm to focus on profitable *sweet spots*, where customers have the highest willingness to pay and products earn the highest margins, rather than on low margin mass market *fat spots*, where the largest number of customers reside.

Because of these changes, firms can begin to focus on delivering high margin products to serve customers in numerous sweet spots, rather than more traditional strategies of serving the largest collection of customers with mass-market offerings targeting a few fat spots. Entire new product categories are emerging in the US, such as super-premium ice creams, craft beers, and alternative snacks. Although these are never advertised they are an increasingly important portion of corporate profits.

**Biography**

Dr. Eric K. Clemons is Professor of Operations and Information Management at The Wharton School of the University of Pennsylvania. A pioneer in the systematic study of the transformational impacts of information on the strategy and practice of business. His research and teaching interests include strategic uses of information systems, the changes that information technology enables in the competitive balance between new entrants and established industry participants, transformation of distribution channels, the structure and governance of the IT functional area, and the impact of information technology on the risks and benefits of outsourcing and strategic alliances.

Industries of focus include international securities markets and financial services firms, consumer packaged goods retailing, and travel. He specializes in assessing the competitive implications of information technology, and in managing the risks of large-scale implementation efforts. Additionally, Dr. Clemons is the founder and Project Director for the Wharton School's Sponsored Research Project on Information: Strategy and Economics within the Program For Global Strategy and Knowledge Intensive Organizations, founder and area coordinator of the School's new major in Information: Strategy, and Economics, director of the School's new eCommerce major and member of the Wharton eBusiness Initiative Curriculum Oversight Committee, an active participant in the School's eCommerce Forum research program, and member of the Faculty Council of the SEI Center for Advanced Studies in Management. Dr. Clemons received his PhD at Cornell University. He also has MS of Cornell University and SB of Massachusetts Institute of Technology. He had visiting positions at Harvard University, Cornell University and HKUST.