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 groningen

faculty of economics
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FEB Research



Contents

3 Editorial



4 First impressions

Sjoerd Beugelsdijk looks back



6 Sports Economics

Research on the World Championship Soccer



10 PhD from Abroad

A Croatian view on Groningen



12 Do banks stimulate growth?

€ 0.5 mln for the FEB to find the answer



14 New Research Master Coordinator

Introducing Marco Haan



18 New in Groningen

Kaspar Roszbach: travelling between Stockholm and Groningen

20 Journal Publications and PhD theses

23 Colophon and Facts & Figures

Short news

New appointments

Per December 1, 2009 Coby van der Linde has been appointed part-time professor at FEB. She will fill the chair in Geopolitics of Energy.

As of January 1, 2010, Tom Wansbeek has been appointed as honorary professor at FEB in the field of Statistics and Econometrics.

Per March, 1, 2010, Marcel Timmer has been appointed as professor at FEB in the field of Economic Growth and Development.

As of June 1, 2010, Bob Fennis is appointed as professor at FEB. He will fill the chair in Consumer Behavior.

NVAO accreditation for Research Master Programme

FEB's Research Master Programme has recently been re-accredited by the NVAO (Accreditation Organisation of the Netherlands and Flanders). According to the NVAO "the combination of economics & business in one RM programme is unique and it provides students the opportunity to gain knowledge not only within their own field, but also in other

research areas". Furthermore, the NVAO states that "the RM Programme is embedded in a very good research environment. Teaching in the programme is done by the best SOM researchers".

The programme is coordinated by the research school SOM. In november 2009 the programme ranked number 1 with an average score of 8.8 in the annual Elsevier Education Survey. Currently 40 students are enrolled in the programme.

Distinguished Marketing Scholar Award 2010 for Peter Leeftang

Peter Leeftang, professor in Marketing and Market Research at the University of Groningen, has been awarded the Inaugural EMAC Distinguished Marketing Scholar Award 2010. The prize is a high award which was presented for the first time by the European Marketing Academy (EMAC) at the annual conference in June. Quality of research is an important criterion. Leeftang will share the prize with professor Berend Wieringa from the Erasmus University.

Taco van der Vaart Director of Graduate Studies

Per May 1, 2010, Taco van der Vaart has been appointed as Director of Graduate Studies. He will be the first responsible for the Research Master and PhD Programme. Taco van der Vaart is also associate professor in Operations Management.

On the cover:
Sjoerd Beugelsdijk



FEB research up, and rising...

Just over 1 year ago, I started as the new SOM director. The previous director, Jakob de Haan, handed over a research school in good shape. Building on this solid foundation, the past year has been very successful for research at our faculty. Time for some reflections...

In the 2009 QANU research review, all five research programmes and the SOM research institute in total received very good to excellent evaluations. As formulated in the review report: "the academic reputation of programmes ranged from excellent to very good with none falling below that very high standard". Furthermore the committee states that "SOM can present itself as the research arm of a full range business school well served to meet the needs of business and students as well as the academic community".

Next, the Research Master has achieved renewal of the accreditation by the NVAO; see also the short news items. Finally, SOM researchers have received various prestigious international awards. All such signs of appreciation are welcome, of course.

SOM also started some new initiatives. First, we have introduced the SOM awards for outstanding performance of individual researchers. By the time you read this, the winners have been announced. Second, if a researcher publishes in a top journal, he or she receives a book coupon. We planned that I will hand out these coupons every quarter of the year. This turned out to be a considerable task already in the first quarter. The listing of top publications covered three pages! As these publications covered a broad range of disciplines in Economics and Business, this is very encouraging.

Important is to understand what drives this success. In my opinion, the most crucial factor is quality of the faculty, followed by a stimulating research environment (excellent facilities, research budget, supporting policy decisions, etc.). In recent years, the FEB has been able to attract numerous high quality students (Research Master and PhD) and faculty members. In all areas of the FEB, outstanding, research-oriented new staff, both in the tenure track and full professors, has been hired.

The future is bright. By continuing to hire excellent new faculty members and providing a stimulating research environment, the quality and quantity of our research output is expected to increase further. With the only disadvantage that I will have to block a serious time slot to hand out the book coupons...

Tammo Bijmolt

First impressions

Sjoerd Beugelsdijk (1976) was appointed professor in International Business and Management at the Faculty of Economics and Business in January 2009. He currently is the chairman of the Department of International Business & Management and fellow of the SOM research institute International Economics, Business & Management. Now, 16 months later, it's a good time to look back upon his experiences in Groningen.

Why did you choose for Groningen?

'Mostly, because I think the research group at the faculty is one of the best groups in Europe in the field of international business (IB) and international economics (IE). The fact that IB and IE have a shared history, that IE is more and more interested in firm level analyses and that both IE and IB have an increased interest in the role of location and geography implies, that the combination of these complementary fields of research in one research group bodes well for the future. Very well, I must say. There is no other group in Europe that has the size, quality and momentum.'

'This high quality is reflected in the six publications in the Journal of International Business Studies, and two special issues in the Journal of Economic Geography realized in a period of just two years (next to numerous other publications, editorships, and EU projects). The IE and IB community picked up on this, as reflected in the six tenure track assistant professors that have decided to join us this year. These

promising researchers are coming from all over the world. It is always hard to predict, but I expect the coming three to five years to be very good for our research group. People have put a lot of trust in us, and now it is up to us to fully realize the potential.'

Could you tell us more about your career so far?

'I obtained my PhD in Tilburg, worked at the Copenhagen Business School for a year and had several visiting positions. Before coming to Groningen I worked in Nijmegen. Because of a three year NWO grant, I have been in the privileged position to travel a lot, build a network and expose myself to interesting ideas and developments in the scientific community at large.'

Your chair is in international business & management. What issues are dealt with in your research?

'In general, IB scholars are interested in the interaction between firm and (international) environment. In a way, IB combines aspects of comparative economics and 'interactive' strategy. Comparative because firms behave differently in different contexts, and interactive because when firms cross borders they have to interact with other firms and individuals in the new context. In most of my general interest presentations, and most of my teaching I use the following question to characterize IB: Where do you locate what type of activity in which way, and what effect does this have on firm and environment?'

And how about societal relevance?

'How can this not be relevant? The

Netherlands is a small open economy, implying that both the positive and the negative effects of globalization are affecting the Dutch economy, firms, and people working in these firms. Firms are offshoring activities to India (and this is not just blue collar work, but increasingly white collar work as well for example, R&D labs), American firms are acquiring Dutch firms, Chinese firms are acquiring African mines that are crucial inputs in production processes of Dutch chemical firms. So, the nature of the research questions that IB is concerned with, makes it very relevant to society.'

What can we expect of you in the future?

'After a period of 'bricolage', it is important to deliver on the promises we have made, and the trust that people have put in us. Sure, we have to stick to the publication strategy developed in the last couple of years. It will be challenging to continue the high quality publications we are currently realizing. I see two key issues for the coming two years. First, we have to keep on marketing ourselves in- and outside the scientific community. This requires us to be present in key international conferences, organize workshops in Groningen, invite people to visit us, and enable our researchers to expand their international network.

Second, because we are a large group consisting of people with different nationalities, personal interests, and different ways of working, it is important to develop an 'inclusive' type of human resource management. This won't be easy, but if it works, the FEB will be one of the most enjoyable places to work.'

Key publications

Beugelsdijk, S., P. McCann and R. Mudambi, 2010, Place, Space and Organization; Economic Geography and the Multinational Enterprise, *Journal of Economic Geography*, 10,4

Beugelsdijk, S., A. Slangen, J.F. Hennart and R. Smeets, 2010, Why and how FDI stocks are a biased measure of MNE affiliate activity, *Journal of International Business Studies*, forthcoming

Beugelsdijk, S., A. Slangen, 2010, The impact of institutional hazards on foreign multinational activity: A contingency perspective, *Journal of International Business Studies*, forthcoming





The science of the football World Cup

Now that the World Cup in South Africa is almost upon us, the traditional 'Orange mania' in the Netherlands is reaching fever pitch again. For professors Ruud Koning and Gerard Sierksma, the championships are more than a high point for sports fans. What interests them most are the scientific aspects of this international event. They talked to us about the effectiveness of national teams, the World Cup favourite, and the possibilities and impossibilities of bringing the competition to the Netherlands in the future.

Gerard Sierksma will soon be watching the matches on two screens at the same time. A laptop will be set up next to the television, showing how effectively the teams are playing as the match progresses. The graph is the result of a model that the econometrist developed in cooperation with ORTEC Team Support Systems (ORTEC TSS). 'It is unique in the world', Sierksma explains. 'Throughout the match, we analyse the performance of the competing teams: defending, controlling and attacking. The focus is on the amount of pressure that a team puts on their opponent's goal area. Above all, we look at the result – the effect – of that pressure. We measure effectiveness using a large number of performance indicators and we assess every ball action. This involves not only counting, but giving an evaluation. That is something completely new in sport.'

'In football, every action on the field is relevant. Even if the ball is on the right of the pitch, a running action on the left flank can be important. But the actions nearest to the ball are the most significant – they

determine the effectiveness of the team. We have studied in detail how we can give an accurate representation of actual effectiveness with a minimum of observations. In football you can limit yourself to the actions around the ball. Those are the actions we follow. All manner of calculation rules apply, of course, to adjust for the fact that a midfielder has possession of the ball much more often than a striker, for example.'

Sierksma illustrates this with a graph of the match between the Netherlands and the Czech Republic (2-3) during Euro 2004 in Portugal – the very duel during which team manager Dick Advocaat substituted Arjen Robben while he was playing so well. 'You can see the most interesting moment of the match very clearly. The Dutch performance is improving and Robben is playing like a champ. The line for the Netherlands is moving upwards all the time. Then Advocaat substitutes Robben, and from that point the effectiveness of the 'Orange' team decreases. The match turned around completely and the Dutch lost. This is one of the most interesting graphs we have ever produced. These graphs simply give us a great additional picture of the match.'

Sierksma is not alone in this view. The effectiveness graphs are a hit on the internet. 'Their popularity is spreading like wildfire, which means that our model has commercial value too. The graphs can be followed live on the website of De Telegraaf newspaper during the World Cup duels. Research has shown that users really like our model; it is a good reminder of the previous part of the match and you can see at a glance how the match is progressing. And if the graph starts to move upwards, then a goal might be on the way.'

Last season, the Belgian newspaper Het Laatste Nieuws commissioned an analysis of all the matches in the Belgian premier league. Every week, the newspaper publishes graphs of the matches. In the Netherlands, all premier-league matches are being analysed for NOC*NSF, and the system is used by football club Ajax, among others.

Sierksma has to admit it, his scientific approach directly influences the way he watches competitions such as the World Cup. 'I have noticed that I watch football matches in a different way now. The people I am watching with often comment on this. If a striker takes a powerful shot at goal but it is wide of the mark, I say 'Bad shot'. To me, it is a straightforward miss. I do not see anything good about it – and I really mean that. Others sometimes try to put a positive spin on such a shot, but I pay more attention to the effectiveness than to the beauty or the excitement it generates.'

World Cup favourite

With the World Cup almost upon us, we are asking the usual question of which country is the favourite. 'Everyone has an opinion on that', says Ruud Koning, Professor of Sports Economics. 'You can be democratic about it, take all the opinions seriously and determine the favourite on that basis. But I do not believe that is the way to do it.' The professor prefers to base his opinion on a scientific analysis. 'At the moment I am carrying out a comparative study of the participating countries based on data from the gambling markets. Those markets are very interesting for studying human behaviour. For example, participants find out very quickly whether they were right or wrong. They are given direct feedback on their actions. In addition, the outcome of the action is undisputed, after

a match you know what has happened. There is no possible discussion about it.'

Koning is currently studying which betting systems best reflect the chances of a World Cup team. 'On the one hand you have fixed-odds betting markets in which you can bet on the countries that could win the title. Another approach is more of a share-type approach whereby people 'trade' bets with each other. This is an innovation that originated in the world of finance. In such a system, the equilibrium price at which the bets are actually traded reflects the information of the participants. At the moment, it appears that betting exchanges are better at predicting outcomes than fixed-odds betting markets, despite the fact that the four to six major operators of fixed-odds bets have a great deal of experience.'

In this context, what can we say about a national team's chances of winning? 'Effectiveness is rarely linked to winning', explains Sierksma, 'especially if you only look at a single match. Italy won the last World Cup, but the Germans played the most effectively. There is no doubt that is also due to the fact that there are so few goals scored in football. The small number of goals has all sorts of strange consequences; even a mistake by the referee can determine the result. That is very different from other sports. Football is the only ball sport where the scores are so low, which makes the price of a referee's mistake much too high.'

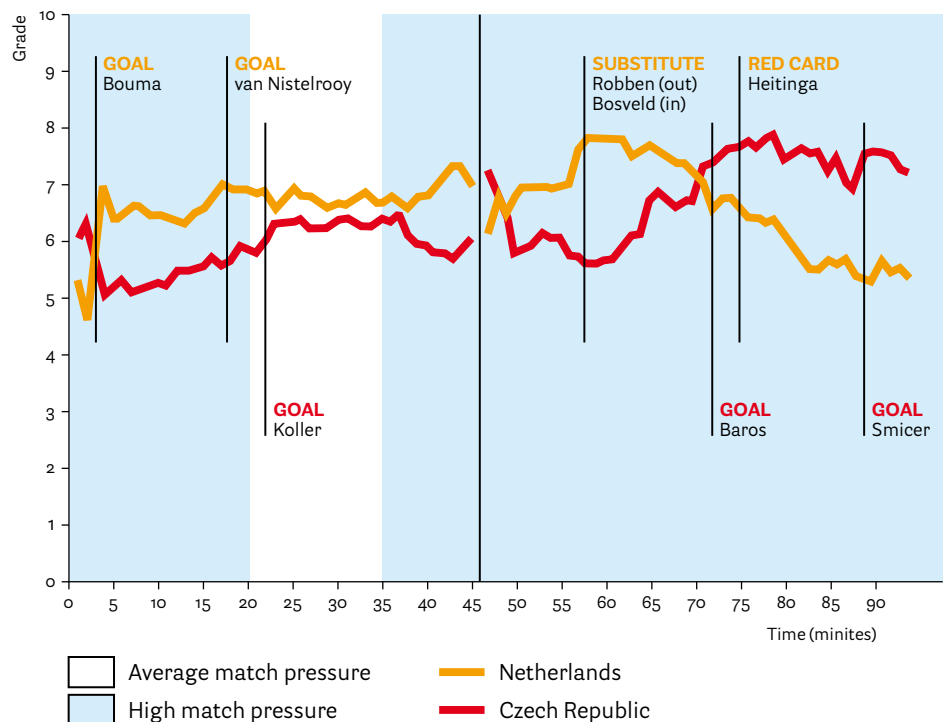
In Sierksma's opinion, the FIFA should take measures to raise the average number of goals scored in each duel. 'I am very much in favour of abolishing the goalkeeper's

catch. When the ball is in play, field players are not allowed to block it. I think that should apply to the goalkeeper too. He can use his arms and hands to get the ball out of the way and to block it, but he should not be allowed to hold on to it. At a rough estimate, this measure would increase the number of goals by thirty percent, which would take us back to the level of the 1950s and 1960s. Another improvement would be to abolish the offside rule in the penalty area: the offside rule should cease to apply as soon as there are two players (including the keeper) of the opposing team in that area. I think these changes are a very easy way to make gains. By increasing the number of goals, the price of a referee's error is reduced and the game speeds up. In addition, spectators will enjoy themselves more if there are more goals.'

The Arjen Robben effect

Netherlands 2 - 3 Czech Republic

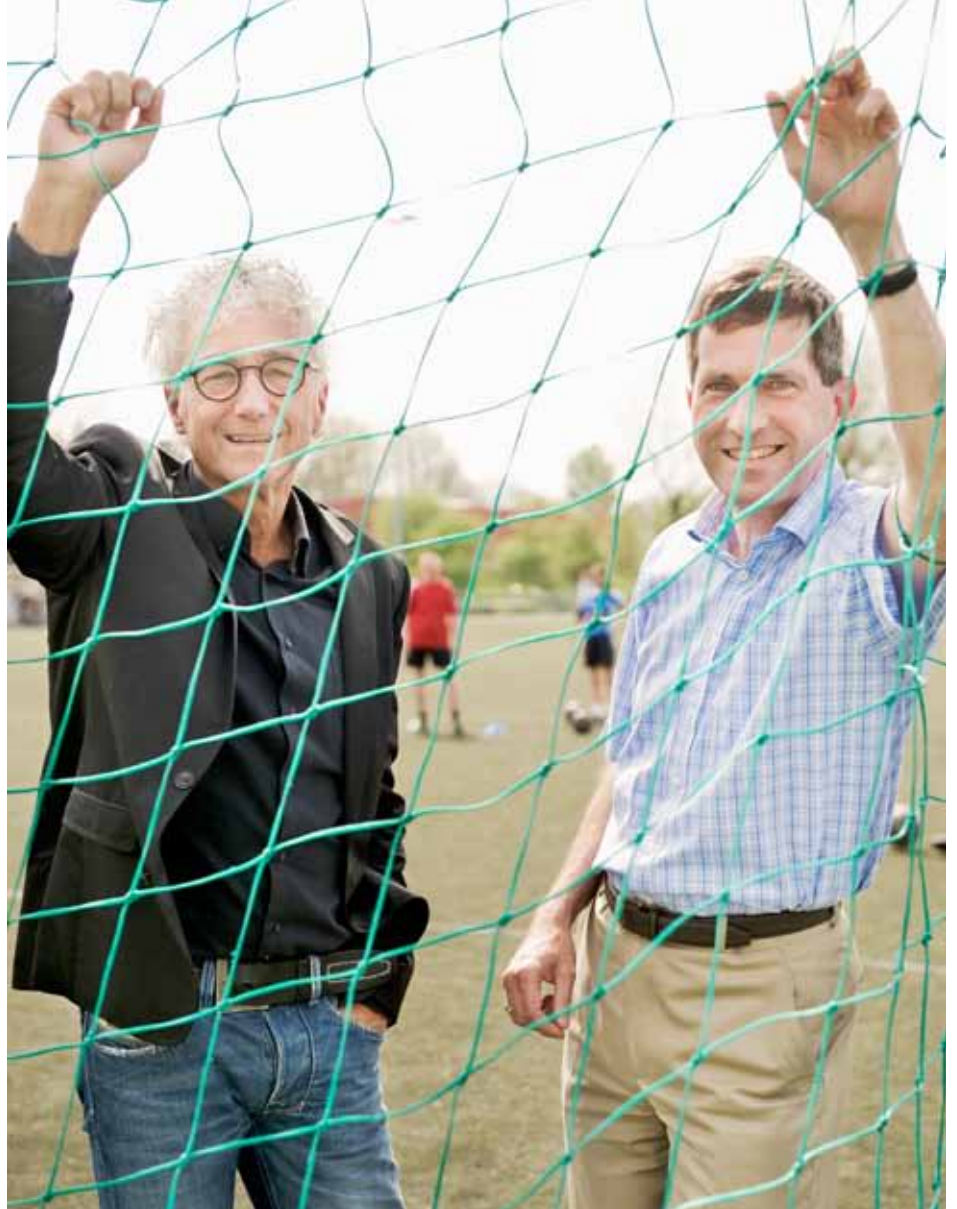
Euro2004 Portugal June 19



Bid for World Cup 2018

Although the attention is almost exclusively on the approaching World Cup in South Africa, the Netherlands is already cautiously looking ahead to 2018. The Netherlands and Belgium are going to make a serious bid to bring the tournament to the Low Countries. In the discussions on the feasibility of these plans, the economic value of the event is often mentioned. 'But you should not organize something like this for economic gain. The World Cup certainly is not a goose with golden eggs', Koning warns. 'Although it will create jobs, for example, obviously there will be a lot of construction projects, it will be mainly people from Poland who are flown in to work on them. So the situation is not quite as straightforward as it first appears.' The benefits for the tourist industry should not be overestimated either. 'You can say it will attract crowds of tourists but they will be different tourists. Amsterdam normally attracts lots of tourists in the summer. If you host the World Cup, those tourists will stay away and football tourists will come instead. Football tourists eat fast food and do not tend to go for expensive meals in three-star restaurants. So you cannot say, a priori, that they will definitely give a significant boost to the economy. The economic effect of the World Cup is limited, or perhaps even negative.'

Infrastructure is an important aspect in the discussion on the feasibility of hosting the World Cup in the Netherlands and Belgium. Koning: 'That is often an important question when a major sporting event is being organized: can the infrastructure be used on a profitable basis after the event? The sustainable operation of brand-new stadiums is an aspect that is already causing many headaches in South Africa. 'Even the developers are wondering what will happen to the stadiums after



the World Cup', Koning explains. 'In South Africa there are certainly enough football fans to fill a stadium, but will enough of them be willing and able to pay 15 euros? That is the real question. And that is what is worrying me. The average income per head is obviously much less than in the Netherlands, Belgium or Germany. Football is also the sport of the black population – the underclass, financially speaking. Wealthy white South Africans prefer rugby. That means that one option might be to use the stadiums for rugby after the World Cup.'

'This will be a challenge for the Netherlands and Belgium too. Perhaps, for the 2018 World Cup, we should build stadiums that are designed so that an entire layer can be removed afterwards. That seems quite feasible to me, especially

when you consider the organization of the 2028 Olympic Games. They will require an even larger peak capacity, and it should be possible to scale it down afterwards. Those are the magic words. An interesting option would be to build stadiums that are designed so that the top half can be removed later and taken somewhere else, for example to Eastern Europe. This type of solution is something that our building industry in the Netherlands could put to good use.'



PhD from abroad

In this interview we talk to Matilda Dorotic from Croatia. She is a PhD within the research institute marketing, expected to defend her thesis in the fall of 2010.

What has been your motivation to do SOM's PhD programme?

'Amongst all, it has been the excellence of the marketing research group, particularly research that my supervisors, Peter Verhoef and Tammo Bijmolt, have undertaken over the years.

After I had finished my master and was teaching at my home university in Split, I came to a point where I wanted to be able to fully understand articles in top journals and to make my own informed judgments on the quality of research. I have always wanted to do high quality research myself. The final encouragement to pursue this dream came when I read Peter Verhoef's article on the effects of customer relationship management in the *Journal of Marketing* (2003, issue 67, pp. 30-45). I was very happy when I got the opportunity to join the marketing research institute.'

What is your background?

'I have a bachelor degree in Economics from the University of Split in Croatia, and a MSc degree in Global Marketing from Staffordshire University in the UK. Before starting my PhD at FEB, I had a teaching and research position at the University of Split for three years. I enjoyed teaching students back home.'

What is your thesis about?

'I am interested in how firms can establish and nurture relationships with their customers, so that ultimately, customers will return and feel loyal towards the firm.'

Nowadays, various loyalty programmes aim at doing exactly that – induce customer's loyalty through rewarding, based on their previous purchase behavior. I am trying to find out how effective these loyalty programmes are in achieving this goal, and in particular, how effective the loyalty partnerships are, when more than one firm is participating (e.g. AirMiles). For example, if there are any spillover effects across partnering firms within such a set-up.'

How do you look back at the years in Groningen?

'I love my time in Groningen, I enjoyed it with all my heart! There is an often heard misperception that "people from the north" are distant and "cold". But I have to say that the warmth, friendship and tremendous support that I have found amongst my colleagues and friends in Groningen got me through all the rough and good times.

So what would be my suggestion to current and future students? Open up! Open up completely and look around, there is so much to see and do! Discover it, otherwise it will be as you have never truly lived here. Discover the heart of Groningen, and what 'gezellig' ('cozy') truly means.'

What are your plans for the future/ambitions?

'For the time being, I have decided to return home to my family, friends and home university to try to transfer at least a part of knowledge I obtained here to my students there. Marketing is still a novel field in transition economies like Croatia, and being an optimist (John Lennon would say a "dreamer") I believe I can make a difference there. I plan to stay in contact

with the University of Groningen and return here from time to time for my research projects.'

Is there anything you would like to share with us?


'Since I am leaving Groningen in few months, I would like to use this opportunity to thank all my colleagues and friends (staff, professors and students alike) for all the wonderful moments they have given me, for the love, support and laughter that were carrying me these four years.'

Key publications

Verhoef, P.C., J. van Doorn and M. Dorotic, 2007, Customer value management: An overview and research agenda, *Marketing – Journal of Research and Management*, 3, 2, 105-120

Dorotic, M., D. Fok, P.C. Verhoef and T.H.A. Bijmolt, Do vendors benefit from promotions in a multi-vendor loyalty program?, *2nd revision round at Marketing Letters and a working paper in SOM Research Reports Series*.

Hoyer, W., M. Krafft, R. Chandy, S. Singh and M. Dorotic, 2010, Consumer co-creation in new product development, *Journal of Service Research*, forthcoming.



Do banks stimulate growth? € 0.5 mln for the FEB to find the answer

Whether banks contribute to economic growth has become a question of key importance in recent times. The importance of both financial and other services for economic performance is a question that has received too little attention of researchers. On January 1st, a new 3-year EU-funded project, called INDICSER, started that aims to answer these questions. We talk to Robert Inklaar, Assistant Professor at the FEB, who will lead the research on financial services.

The project is funded by the European Commission as part of the Seventh Framework Programme, which funds international research projects on a large number of topics. The INDICSER project is coordinated by Mary O'Mahony of the University of Birmingham and Marcel Timmer, full professor of economic growth and development, is part of the management team on behalf of the Groningen Growth and Development Centre (GGDC) at the FEB. The FEB has received €0.5mln out of a total grant of €2.3mln.

Why worry about growth rather than about how to stop the next crisis?

'Financial crises have been around as long as banks, hundreds of years. But banks

are useful by providing financial services: selecting the most promising investment projects and monitoring their borrowers. This means the key question is how to get the greatest benefits for the economy at the least risk. In this project, we will develop indicators to describe the financial system in European countries, such as the amount of financial services provided, the degree of competition among banks, international links and the riskiness of banks. By analyzing how these indicators are related to growth in the rest of the economy, we hope to understand what is important for a useful financial system. For example, is more competition a good thing for growth or not? And if it is, what does competition do to the risks that banks take? We hope to provide the indicators and terms of any trade-off between growth and risk so that policy makers can use these in their decisions.'

What are the other goals of this project?

'A central aim of this project is to develop new indicators that help researchers and policy makers understand productivity growth in services. Earlier research, in part by researchers at the FEB, has shown that the European services sector, from retail trade to business services, has a large unexploited growth potential. This is im-

portant, because productivity growth is an important determinant of living standards. The low productivity growth in Europe in the past two decades makes it harder to increase wages, keep pensions at a comfortable level, etc. One part of the project is finding out why this growth potential is unexploited. Is it a lack of innovation by services firms? Perhaps a lack of competition? Should governments make it easier for new firms to start business? Or should they focus on reducing the costs of firing workers?

Another part is improving our understanding of productivity in education and health. Current measures are largely based on costs of teachers, doctors, and so forth, but the outcomes are also very relevant for society: are students getting smarter and are patients getting better? This is known in some areas, but this project would aim at a comprehensive picture. Given the considerable amount of government money used to pay for these services, insights into their performance would be very relevant to determine whether tax payers are getting 'value for money'. Moreover, it would give insights into international best practices.'

INDICSER project

• Participants in INDICSER

Centre for European Policy Studies (CEPS, Brussels)
 Deutsches Institut für Wirtschaftsforschung (DIW, Berlin)
 Instituto Valenciano de Investigaciones Economicas (IVIE, Valencia)
 Kopint-Tarki (Budapest)
 National Institute of Economic and Social Research (NIESR, London)
 University of Birmingham
 University of Groningen
 Zentrum für Europäische Wirtschaftsforschung (ZEW, Mannheim)

• FEB researchers in INDICSER

Prof Marcel Timmer
 Dr Robert Inklaar
 Dr Michael Koetter
 Dr Aljar Meesters
 Dr Jan-Pieter Smits



The Research Master aims to prepare students for a career in research in Economics and/or Business. It is a challenging two-year programme with a strong focus on scientific and academic skills. Graduates often become PhD students, many at our own faculty but also in other places all over the world. Others end up in jobs at, for instance, consultancies and both national and international organizations. The programme was recently re-accredited by the NVAO. We talk to Marco Haan, the coordinator of this programme since September 2009.

Introducing

New Research Master Coordinator

What is the role of the coordinator?

The Research Master has a status that is somewhat different from that of other master programmes. The master is part of SOM, the research institute and graduate school within our faculty. That means that the Research Master is much closer to the research activities than to the other educational activities of our faculty, which again emphasizes the nature of the programme.

The tasks of the coordinator are many. One important aspect is the selection of future students. Different from other master programmes we are selective, which means that only the best students are selected for the programme. Just meeting the minimum standards of admission is definitely not sufficient. Out of all the students that apply to the programme, only about one third get admitted. Since last year, we offer a restricted number of scholarships to foreign students, which has greatly increased the number and quality of admissions. Deciding which of these students qualify for a scholarship is difficult. At the end of the day, it is the directors of the research institutes that decide on these matters, but as the coordinator of the programme I prepare these decisions and have an advisory role.

Despite the large number of admissions that we already get, we are always looking for excellent students. Tracking down those students, giving them information about the programme and trying to get them interested to enroll in the programme is an important activity as well. Then, I am also the coordinator of the course "Learning and Practising Research" (LPR) in the first year of the Research Master. In the context of this course,

students, amongst other things, do a research project under the supervision of a SOM fellow. Throughout the year, they give several presentations on the progress of their project. I organize these sessions, give the students feedback on their performance, and help them to find a supervisor for both their LPR project and their final thesis.

Furthermore, the coordinator effectively acts as the study advisor for the Research Master students. I monitor their progress and discuss which courses would be suitable for them. Students have a lot of flexibility in their programme, and there are many options available: not only within our faculty but also courses offered by national and international networks. And finally, there are of course a lot of bureaucratic details that have to be dealt with.

What is the contents of the programme?

There are currently five profiles in our Research Master: Economics & Econometrics, International Economics and Business, Human Research Management and Organizational Behavior, Marketing, and Operations Management and Operations Research. Each profile has its own dedicated profile courses, but students also participate in a number of courses that are taken by all Research Master students. We are working on a sixth profile on Innovation & Organisation, which hopefully will be offered per September 2011.

Compared to "regular" Master programmes within the FEB, the most obvious difference is that we are a two-year programme. Moreover, there is the strong focus on academic research and the

Highlights of the programme

- A two-year MSc programme
- English taught
- Aims at the best and brightest students
- Maximum of 40 students per year
- Five profiles
- Excellent career opportunities in research or with governmental organisations

Marco Haan Associate Professor

Key publications

Haan, M.A. and L.A. Toolsema, License auctions when winning bids are financed through debt, *Journal of Industrial Economics*, forthcoming

Haan, M.A. and L.A. Toolsema, 2008, The strategic use of debt reconsidered, *International Journal of Industrial Organization*, 26, 2, 616-624

Haan, M.A. and Y. Riyanto, 2006, The effects of takeover threats on shareholders and firm value, *Journal of Economic Behavior and Organization*, 59, 45-68

selective nature of our programme. Compared to similar programmes at other universities, I think that our focus is much more on skills. Our students not only get in-depth knowledge in their field of study, but also acquire the academic and analytical skills to be able to contribute to the existing body of knowledge in their field.

We are also unique in that economics and business are fully integrated in one programme, something that was also noted by the accreditation organization NVAO (Accreditation Organisation of the Netherlands and Flanders). Of course, that does not mean that our economics students are obliged to take courses in business or vice-versa, but it does imply that students can benefit from seeing different approaches and points of view.

Over the last year, the Research Master programme has been evaluated very positively by students (we scored an overall average of 8.8 in the annual Elsevier survey, making us the highest-scoring programme in the country).'

What are the future ambitions?

'We are currently in the process of setting up cooperation with a number of good universities all over the world, which would allow us to secure a steady inflow of excellent students from those institutes, and would also allow our own students to obtain valuable experience abroad. The main challenge right now is to transform a very small-scale programme, with some 10-15 students per year, to a much larger programme with perhaps over 30 students annually, without compromising on quality.'



Marjolijn Onrust

1st year Research Master student, profile Marketing

In August 2009, I received my IB&M Bachelor's degree cum laude but was unsure what to do next. I had enjoyed a semester of study abroad and I did not know whether to continue my studies in the Netherlands or abroad. I have always been interested in research, which is why I participated in the Honours bachelor programme; worked as a teaching assistant for several research courses; and took an extra research course while I studied abroad. After reading about the Research Master programme I learnt of its broad flexibility: the course schedule can be adapted to the experience and preferences of the students; courses are taught by the best professors of our faculty and there is an opportunity to go abroad in the second year. I got very enthusiastic about all this, which led me to apply for the Research Master.

I am now at the end of the first year and can say that the programme is even better than I thought it would be. I particularly

like the personal approach of small-group teaching where professors value the opinion of students: it makes you feel like you can already make a difference in the 'world of research'. The programme is not easy, especially if you, like me, do not have a background in statistics. However, because it is a two-year programme and the set-up is very flexible, there is room to discuss whether some courses can be better moved to other periods. I am also the first-year representative in the Programme Committee. The committee discusses educational issues and gives advice to SOM and the Faculty Board.

Now that I have almost finished my first year, I have a good idea about research in Marketing and I know I definitely want to continue to do research in this field. That is why I would really like to become a PhD student in Marketing. The Research Master has showed me that a programme in research is very interesting and challenging, and that there is always more to learn!

A man with short grey hair, smiling, stands in a glass doorway. He is wearing a light blue and white checkered button-down shirt and dark trousers. The background shows a modern building interior with a blue and white checkered floor and large windows reflecting the outdoors.

Kasper Roszbach

New in Groningen

Kasper Roszbach took up a part-time position as professor of Banking & Finance in September 2009, while continuing as Head of the Research Division of the Sveriges Riksbank (Central Bank of Sweden) for the remainder of his time. We discuss the added value of the Groningen connection with him.

What is your professional background?

'After getting my undergraduate degree I worked for two years at ABN Amro Bank in Amsterdam before starting my PhD at the Stockholm School of Economics. When I finished my PhD I had a short spell as a research economist at De Nederlandsche Bank and then spent four years at the Dutch antitrust authority, first as an economist and then as a deputy director of merger control. In 2002 I moved to the Riksbank, the Swedish central bank, to become a research economist. Since 2004 I've been head of the research division and deputy head of research. During the financial crisis I was a part-time advisor at the Swedish Ministry of Finance for about half a year.'

You now combine your position at the Riksbank with a 20% position in Groningen. What is the added value of this combined position in your view?

'I hope I can make a contribution by giving students, most of whom will not become researchers, a perspective on how economics is being used in everyday work, what problems decision-makers in public and private organizations face when applying economics and where they have opportunities to improve things. In the past I have given some occasional lectures to master's students and my personal experience is that they are very enthusiastic when they hear how economic methods are used in real life. I believe it is a relatively easy way to make

students more interested and focused. I would also like to engage one or more PhD students in research projects we are working on at the Riksbank. For the bank, my work in Groningen opens up a potential recruitment channel and possibilities for cooperation with faculty. I am also enjoying the combination of being in the Netherlands a little more often and being given the opportunity to make a contribution to a Dutch university with such a long and rich academic tradition.'

Your research field of Banking & Finance has gained enormous prominence in recent years. To what extent does the financial crisis shape your current research?

'It does not affect my personal research agenda to a great extent. The big change is that topics that were considered of secondary importance a few years ago, are now at the forefront of many economists' research agenda. So the biggest change is an inflow of economists who started doing banking research. A good example is the effort that is now being made to integrate financial intermediation into macroeconomic models and to incorporate macroeconomic fluctuations into micro-data models of financial stability.'

What are the main questions that have driven your research?

'I am fascinated by the pivotal role that financial institutions and credit markets play in the economy. For large numbers of households and entrepreneurs, getting access to credit or not can have a big impact on their welfare, usually - but not always - for the better. I am particularly interested in understanding what drives access to credit, and the lack thereof, and how credit markets can be made more efficient. How does access to information influence both the demand and supply of credit? How do banks alter their behavior vis-à-vis borrowers in response to new information about borrower behavior?

How should we incorporate macroeconomic information into models of financial market behavior and, vice versa, how can we let financial market behavior feed into macroeconomic models? Studies using detailed information about how markets function and who are active are the best way to improve our understanding of financial market behavior. Because bank behavior is partially driven by their view on potential clients' riskiness, I have also done some work on credit risk modeling.'

What are your plans for the future in Groningen?

'For now I am advising a number of MSc students in their thesis writing. My ambition for the future is to get more FEB students interested in doing empirical banking research and to advise a few PhD students. Since I am located in Stockholm, teaching a regular class is somewhat complicated but I hope we will be able to set up a topical course in empirical banking for PhD students.'

Key publications

Carling, K., T. Jacobson, J. Lindé and K. Roszbach 2005, Exploring relationships between firms' balance sheets and the macro economy, *Journal of Financial Stability*, 1, 3, 308-341

Roszbach, K., 2004, Bank lending policy, credit scoring and the survival of loans, *Review of Economics and Statistics*, 86, 4, 946-958

Carling, K., T. Jacobson, J. Lindé and K. Roszbach, 2007, Corporate credit risk modelling and the macroeconomy, *Journal of Banking and Finance*, 31 3, 845-868



Publications

An overview of publications in SOM's top and very good journals, books, PhD theses and reports in the SOM Research Report Series in the period December 2009 - May 2010.

Journal Publications

Allers, M.A. & Kooreman, P. (2009). More evidence of the effects of voiting technology on election outcomes. *Public Choice*, 139(1/2), 159-170.

Bello, D., Leung, K., Radebaugh, L., Tung, R.L. & **Witteloostuijn, A. van** (2009). From the editors: Student samples in international business research. *Journal of International Business Studies*, 40, 1-5.

Belloni, M. & **Alessie, R.J.M.** (2009). The importance of financial incentives on retirement choices. *Labour Economics*, 16(5), 578-588.

Bokhorst, J.A.C. & **Gaalman, G.J.C.** (2009). Cross-training workers in dual resource constrained systems with heterogeneous processing times. *International Journal of Production Research*, 47(22), 6333-6356.

Brakman, S., Garretsen, J.H. & Marrewijk, C. van (2009). Economic geography within and between European nations: the role of market potential and density across space and time. *Journal of Regional Science*, 49(4), 777-800.

Brakman, S. & Marrewijk, C. van (2009). Heterogeneity at different spatial scales. *Journal of Regional Science*, 49, 607-615.

Chen, V., Wu, H.X. & **Ark, B. van** (2009). More costly or more productivity? Measuring changes in competitiveness in manufacturing across regions in China. *Review of Income and Wealth*, 55(1), 514-537.

Croonen, E.P.M. & **Brand, M.J.** (2010). Dutch druggists in distress; Franchisees facing the complex decision of how to react to their franchisor's strategic plans. *Entrepreneurship Theory and Practice*, 34(5).

Curtain, R.F., **Iftime, O.V.** & Zwart, H. (2009). System theoretic properties of a class of spatially invariant systems. *Automatica*, 45(7), 1619-1627.

Delre, S.A., **Jager, W., Bijmolt, T.H.A.** & Janssen, M. (2010). Will it spread or not? The effects of social influences and network topology on innovation diffusion. *Journal of Product Innovation Management*, 27(2), 267-282.

Dikova, D. (2009). Performance of foreign subsidiaries: Does psychic distance matter? *International Business Review*, 18(1), 38-49.

Elhorst, J.P. & Fréret, S. (2009). Evidence of political yardstick competition in France using a two-regime spatial Durbin model with fixed effects. *Journal of Regional Science*, 49(5), 931-951.

Jaap Wieringa

'In the pharmaceutical industry, marketing is almost constantly under attack. Talk to a doctor about marketing and he will turn up his nose. However, the fact that marketing in the pharmaceutical industry is subject of so much social debate makes it all the more interesting to explore. Moreover, we are nowhere near knowing everything about the effects of marketing on the pharmaceutical industry. It is fun to investigate the effects of marketing and by doing so contribute to the social debate.

Our research focuses on persistency of marketing efforts. This is a highly relevant topic, because it is of interest to know whether and how managers can affect the market permanently. Ernst Osinga, Peter Leeftang and I are the first to demonstrate that persistency of marketing effects

depends on the stage of the product life cycle. These effects are strongest around the introduction of a new product and decline in the course of the product life cycle. We show that this does not only hold for persistent marketing effects but also for temporary marketing effects. So if you want to make the most out of your marketing budget, make sure you spend a significant portion of it early in the product life cycle.

Another asset of this paper is the methodological side of our research. We develop a new model to measure persistency of marketing efforts. Our method has several methodological advantages and also explains much more than the existing methods.'

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PhD thesis

Marloes Bakker

Enabling knowledge sharing. A multi-theory perspective on knowledge sharing in new product development consortia.

Prom./coprom.: Prof R.Th.A.J. Leenders, Prof J.M.L. van Engelen & Dr J. Kratzer

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Jutta Bolt

Explaining long-run economic development in Africa. Do initial conditions matter?

Prom./coprom.: Prof B.W. Lensink, Prof H.H. van Ark & Dr D.J. Bezemer

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Examining the effectiveness of promotional expenditures for pharmaceutical products.

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Defended on: February 11, 2010

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Predicting the market demand for an innovation based on the concept of social contagion.

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Bo Qin

Essays on performance-vested stock options and corporate governance.

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Tanveer Shehzad

Panel studies on bank risks and crises.

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Umed Temurshoev

Interdependencies. Essays on cross-shareholdings, social networks, and sectoral linkages.

Prom./coprom.: Prof H.W.A. Dietzenbacher

Defended on: March 18, 2010

New item on FEB's website

A new item can be found on FEB's website: The publication of the month. Currently Jennifer Jordan's publication in the *Journal of Applied Social Psychology* is highlighted.

Jordan investigated the relationship between salary and individuals' focus during decision making. She presented morally ambiguous and strategic dilemmas to middle-level managers of a Fortune 200 corporation. 'These dilemmas were adapted from actual business cases', says Jordan. 'For example: a company invests a lot of money in lead processing machinery and they find out that some of the workers are getting sick. They don't know for sure that the new machinery causes the illness. The question is: do they shut the plant down and investigate the well being of their employees?' Jordan found that higher paid managers are less likely to focus on issues related to the well-being of the non-powerful employees and members of the community. 'To translate it to the real world: we know people have limited decision making capabilities. They have limited time and

they have limited abilities to focus on different things. So if managers prioritize an issue low, you might assume they are not including that issue in actual decision making.'

Previous publication

J. Jordan, Salary and Decision Making: Relationship Between Pay and Focus on Financial Profitability and Prosociality in an Organizational Context, *Journal of Applied Social Psychology*, 2010, 40, 2, pp. 402-420.



Colophon

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