December 2009 Neeley eNews
In The News

November 1, 2009
Airlines'' social media use takes off: Companies using Facebook, Twitter or own web sites to engage customers - *By Andrea Ahles*
Most companies are still using social media ineffectively, said **George Low, chairman of the marketing department at Texas Christian University's Neeley School of Business**. For example, corporate blogs or CEO blogs often don't attract new customers, instead just bringing in customers already loyal to the company. "If all it is is a Web site that has information and connects somehow to customers using Facebook or one of the other big social sites, that is not really sufficient," **Low** said.

November 2, 2009
Pet power: Some businesses open to man's best friend - *By Elizabeth Bassett*
Julie Baker, a professor of marketing at Texas Christian University's Neeley School of Business, said she isn't aware of any research on dog-friendly business or using dogs as part of a marketing strategy. It could be that businesses see a way to reach out to Americans who increasingly view their pets as family members, she said, and some of the businesses that open up to dogs could be doing so because the owners are dog people themselves.

"I think it's a very interesting thing to explore for a small retailer," **Baker** said. Smaller retailers can make independent choices about whether to allow dogs, and ordinances about dogs can vary from city to city. **Baker** said in other countries, though, like Europe, she's noticed that people take their dogs with them in far more places.

For an independently-owned business or restaurant, there's not too much to lose when it comes to trying out being dog-friendly, **Baker** said, because there's little financial investment required. "I would think it would be really easy for many of them . . . to try on a small scale and see what happens," she said.

November 2, 2009
Employees need to be proactive in health care, retirement - *By Leslie Wimmer*
Corporate benefit programs began taking hold several years ago with labor union wage negotiations, said **Stuart Youngblood, a professor of management at Texas Christian University**. About 25 years ago, retirement benefits began to shift from a defined benefit package – such as yearly or monthly payments from employers to retirees – to employers providing defined contributions to employee retirement accounts.

"The risk has shifted to the employee," **Youngblood** said. "The employee has to figure out how they want to treat their money, if they want to invest in stocks or bonds, and employees have to plan for their own retirement." But, retirement planning has become trickier for employees who expect to retire soon, especially for those who have lost retirement income in the recession and whose employers have cut 401(k) matching programs.

"Many employees, especially in the baby boomer generation, failed to recognize that the risk was being shifted to them," **Youngblood** said.

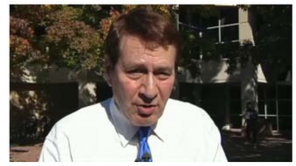
…As companies continue to cut benefits, Youngblood said he expects employers offering benefit packages to be seen as more desirable by young professionals, which will in turn create a competitive edge against companies with slim or non-existent benefit packages.

"I think there's no question that, other things equal, employers that do provide health care benefits and some kind of retirement plan are going to be more attractive," **Youngblood** said. "I would argue very strongly that, yes, it gives them a competitive advantage. The problem of course is everybody's costs are going up, and the easiest way to cut your staffing costs is to trim your retirement or health care benefits, or shift the costs to employees."

But, he said, investing in employees has become more important as the American workforce has transitioned from agricultural- to manufacturing- to service-oriented. Looking across industries, some of the most successful companies in the United States have become successful by investing in their employees, **Youngblood** said, adding that keeping employees satisfied and committed to their careers is key to building a strong company.

DFW NEWS

NBC 5



November 3, 2009

Buffett's Berkshire Buys BNSF - Berkshire Hathaway will pay $34 billion for BNSF

Billionaire Warren Buffett's Berkshire Hathaway Tuesday agreed to buy Fort Worth-based Burlington Northern Santa Fe Corp. BNSF, the nation's second-largest railroad, is the biggest hauler of food products such as corn and coal for electricity, making it an indicator of the country's economic health. The railroad also ships a large amount of consumer goods -- including items imported from Asia -- from big Western ports like Los Angeles and Seattle.

Experts say the country's second-richest man is betting on the nation's economic recovery, giving a boost to Fort Worth in the process.

"When Warren Buffett moves in to Fort Worth, you better believe good things happen," said **Stanley Block of Texas Christian University's Neeley School of Business**. "All you have to do is look at Justin and Acme and TTI and other local companies, and this is a signal that he highly approves of Fort Worth."

Star-Telegram

November 3, 2009

With $26.3 billion buyout, Oracle of Omaha bets big on BNSF - *By Bob Cox*

Legendary investor Warren Buffett came to Fort Worth just 13 days ago, on Oct. 22, ostensibly just for a meeting of the board of directors of his Berkshire Hathaway holding company.

Stanley Block, professor of finance at TCU's Neeley School of Business, said there's no reason to doubt Buffett. "This is the largest acquisition Warren Buffett has ever made, and he would not have made it if he did not think that the right management team is already in place," Block said. "As a finance professor, I would say that 20-25 percent of the purchase price . . . was to pay for the strong management group."

Star-Telegram Chicago Tribune

November 3, 2009

BNSF purchase follows Buffett's tried-and-true formula - *By Jack Z. Smith*

By buying a giant railroad with a solid track record and respected management, Buffett and Berkshire Hathaway are "without a doubt" following the same formula they long have pursued, said **William Cron, associate dean for graduate programs and research in the M.J. Neeley School of Business at Texas Christian University**.

The plain-spoken Buffett has made crystal clear what he inevitably seeks in acquiring a business: a quality company, at an attractive price. "The primary basis on which Warren Buffett usually buys a company is . . . its management team, especially top management," **Cron** said. "He is essentially a value buyer, meaning that he believes the company is undervalued by the market."

At a 1987 Berkshire Hathaway shareholders meeting in Omaha, Neb., attended by a *Star-Telegram* reporter, Buffett quipped, "Ideally, we like to buy something that costs a penny, sells for a dollar and is habit-forming." Another tenet of Buffett "is that he has to understand the business fairly well, certainly with respect to the future," **Cron** said. For that reason, "you're not going to find high-tech" companies among Berkshire Hathaway investments, **Cron** said.

Buffett, 79, isn't afraid of appearing old-fashioned. He long has preferred companies that make basic products with a market demand that lasts decade after decade. Hence, Berkshire's 2000 purchase of Fort Worth-based Justin Industries, a maker of boots (Justin) and bricks (Acme) that had gotten short shrift from Wall Street analysts. Buying Burlington Northern Santa Fe "sounded just like him," **Cron** said.

Buffett said he believes that railroads, with low fuel costs compared with trucking, have a solid future, especially if energy prices soar again. In buying a company, Buffett "always has to have a level of certainty about the future," **Cron** said.

…Unsurprisingly, **Cron** said, Buffett likes the unpretentious Fort Worth, where he recently met with BNSF CEO Matthew Rose to help put together the railroad deal. Cron said Buffett graciously agrees to meet, talk and dine with about 25 TCU MBA students each year in Omaha. Afterwards, the students "take pictures with him," **Cron** said.

Star-Telegram

November 3, 2009

BNSF headquarters has been huge asset for Fort Worth - *By John Austin*

William Moncrief, senior associate dean at Texas Christian University's Neeley School of Business, said BNSF's corporate presence here is a big boon for its students.

"Back about '86, they flew our entire class to Chicago and Kansas City" to study rail operations in those cities, he said. "BNSF has just been a huge part of our leadership program."

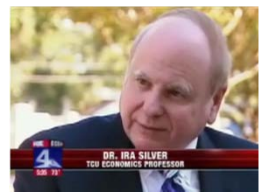
Some 80 TCU sophomores, for example, vie for 30 spots in the university's Burlington Northern Santa Fe Next Generation Leadership program. The company not only hires students when they graduate but also is a source of tuition dollars for the university's executive MBA program.

my FOX DALLAS/FORT WORTH

November 3, 2009

Warren Buffet Buys Freight Railroad - *By Lari Barriger*

Dr. Ira Silver, Economic Professor for TCU's Neeley School of Business, was interviewed for Channel 4's primetime newscast about Warren Buffet's purchase of BNSF Railway.

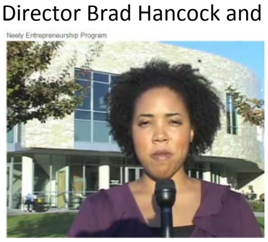


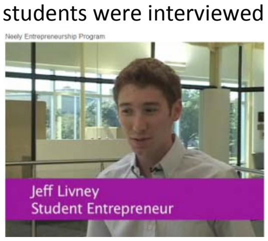
TCU News Now

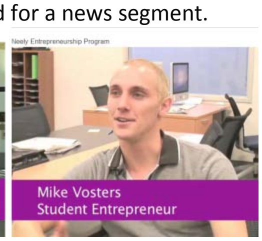
November 5, 2009

Neeley Entrepreneurship Center – *by Alexandria Bruton*

Director Brad Hancock and students were interviewed for a news segment.







A Closer Look | e! Science News Your daily dose of Eureka! | ECOVI | redOrbit

November 13, 2009

Study: Nonprofits Put Brand At Risk In Corporate Partnerships

Public sees any connection as a "seal of approval"

Charities and other nonprofits may put their brand at risk when they partner with corporations on social responsibility (CSR) initiatives. The public can easily construe such connections as a seal of approval of the corporation by the nonprofit. That's what two marketing professors found when they examined consumer perceptions in a controlled experiment.

"Our results suggest that some CSR initiatives may produce consumer inferences that are wrong but desirable for the company," says **Stacy Landreth Grau, associate professor of marketing in the Neeley School of Business at Texas Christian University in Fort Worth**. "And these inferences can have potentially negative consequences for the nonprofit."

"Explicit Donations and Inferred Endorsements: Do Corporate Social Responsibility Initiatives Suggest a Nonprofit Organization Endorsement?," by Amanda B. Bower, a marketing professor at Washington and Lee University in Virginia, and **Stacy Landreth Grau of TCU**, appears in the Fall 2009 issue of the Journal of Advertising.

Star-Telegram Chicago Tribune

November 8, 2009

Grocers irked to find out soy milk nonorganic - **By Barry Shlachter**

Organic-food shoppers are making a rude discovery at their grocers' refrigerated display case.

"White Wave Silk Vanilla Soymilk is no longer Organic," declares a hand-lettered sign at the two Sunflower Shoppes in Tarrant County.

Shannon Shipp, an associate professor and director of the ethics program at Texas Christian University's Neeley School of Business, says he has no idea whether Dean intended to mislead consumers. The company would be on sound footing, he said, "if you assume that people carefully read the label every time they pick up a carton. But that's not how people buy. Repeat customers are just looking at the color, not all the details. Why would they? The package itself is the proxy for all that."

… TCU's Shipp said retaining the old bar code is an even bigger issue than the packaging matter.

"Why didn't Dean call the UPC agency? It would have taken 20 minutes, cost nothing and there wouldn't have been this problem. It's just silly," he said. "If this was some tiny producer in Oregon making a product change for the first time, I'd give them a pass. But Dean is one of country's biggest producers, making this product for years."

Fort Worth BusinessPress

November 9, 2009

Buffett's biggest investment BNSF acquisition means stability for key employer - *By Leslie Wimmer*

Familiar with Warren Buffett's laissez-faire investment style, North Texas business leaders expect few changes following Berkshire Hathaway's purchase of Burlington Northern Santa Fe Corp.

Thomas Moeller, an assistant professor of finance at Texas Christian University, agrees."The acquisition is pretty much a bet on the recovery of the U.S. economy. We've lost a lot of imports and exports, and the [rail] companies are fairly depressed," he said. "So, in kind of a typical Buffett long-term bet, he's an investor who has a lot of money and resources to invest in a company long-term."

stuff.co.nz

November 16, 2009

The Future of Retailing - *By Frank Nelson*

Expat Gower Smith reckons he's seen the future of retailing … and it looks a bit like a vending machine on steroids.

Smith is the founder and CEO of San Francisco-based ZoomSystems, and what he describes as "a new concept in automated retailing" is something called the ZoomShop.

The concept makes sense to **Julie Baker, professor of marketing at the Neeley School of Business, Texas Christian University**. "From a marketing standpoint, it's another channel of distribution for manufacturers: they have stores, the internet and now these sorts of vending machines. The most important thing is to get product in front of the customer at as many venues as possible.

"With limited space required and no employees, it's a lot cheaper than a little storefront. So, it's cost effective for manufacturers and convenient for customers. It's a win/win for both parties."

DFW NEWS NBC 5 Venture INSIDE TAMPA BAY BUSINESS

November 12, 2009

RadioShack Reportedly Eying Sunshine State - *By Lita Beck*

Fort Worth-based RadioShack may be looking at packing its corporate bags for Florida, according to a published report.

The Tampa Bay Business Journal reported last week about rumors that the company may be seeking between 300,000 and 350,000 square feet of space for new corporate headquarters. The company is reportedly looking at Tampa Bay and several other cities. RadioShack would not confirm or deny the rumors.

Daniel Short, a professor at Texas Christian University's Neeley School of Business, said companies typically begin to explore their options about 18 months out. The company's current lease expires in 2011. An old housing project used to occupy the property where its 38-acre corporate campus sits in downtown Fort Worth.

Short said Fort Worth and the Chamber of Commerce are likely working to keep RadioShack in Cowtown. "They were probably on this before it even started as a rumor," he said. "They certainly are trying to work closely with RadioShack to make sure that whatever issues RadioShack might have with Fort Worth get solved -- to be sure that if they need more space, they are aggressively helping them find space; if there are some business issues that have to be resolved, they're working hard so solve those."

Short said the loss of RadioShack could be a blow to Fort Worth. "RadioShack is important to this city for a tremendous number of reasons," he said. "Certainly 1,700 jobs would be one of those important reasons."

Short said the company is likely to remain quiet unless it settles on some serious options.

THE WALL STREET JOURNAL.

November 30, 2009

Before Heading to China...Make sure you know what you're trying to do there - ***By Garry D. Bruton****, David Ahlstrom and Lu Yuan*

Considering that China has undergone rapid and sustained economic growth over the past 30 years and today is the largest recipient of foreign direct investment in the world, it isn't surprising that many companies feel the need not only to respond to competition from Chinese-made products but also to enter and compete in the Chinese market itself.

The problem is, some businesses are rushing in without a realistic understanding of the opportunities presented by China and the trade-offs inherent in pursuing them. While China has many strengths, its economic picture isn't as rosy as some might believe. For example, China may be one of the world's largest economies, but it remains a poor, developing nation in terms of per-capita income, ranked around 100th globally last year.

The high-value exports coming from China are typically manufactured by Western-owned factories, not Chinese organizations, and the low labor costs that have driven much of China's economic growth are rising steadily amid labor shortages in the country's developed coastal region.

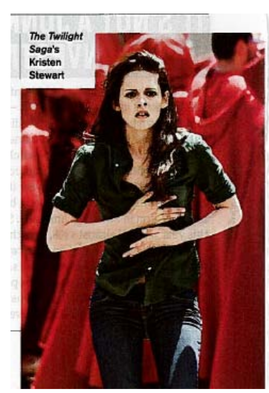
For these and other reasons, companies need to consider carefully what they hope to accomplish in China before making a big investment. Is the strategic goal to gain a competitive advantage by using China's low-cost labor to reduce expenses, or is the goal to be closer to multinational customers operating in Asia? Is the main priority to compete in China's domestic market or simply to source finished products from China?

To help companies think about a possible move into China, here is a closer look at four potential strategies.

BusinessWeek

November 30, 2009

Why Hollywood Loves to Repeat Itself – *Mark Scott*



With their built in fan base, sequels are seen as a safe bet in Hollywood. Now research by two academics—one at Casa Business School in London, the other **at Texas Christian University's Neeley School of Business in Fort Worth**—shows just how safe. The two studied the take from more than 100 movie sequels released from 1998 to 2006. Comparing those box-office numbers with what was earned by thematically similar standalone films shown around the same time, they found sequels generated an average 27% more revenue. Using their formnulsa, they estimate the upcoming teen vampires film *The Twilight Saga: New Moon* (the second in the Twilight franchise) should make $34 million more domestically than an upcoming standalone movie about adolescent bloodsuckers. The professors, **TCU's Mark Houston** and Cass' Thorsten Hennig-Thurau, also studied the "feedback" effect of the followup flicks, finding that they're responsible for boosting DVD sales of the parent films by 1.3 million copies.