

Making Headlines

News stories featuring the Neeley School of Business at TCU

January 2010



January 2, 2010

The Tostitos Fiesta Bowl Has Helped To Extend The Holiday For Many Around The TCU Campus - Reporting: Jim Ryan

It isn't only students who decided to head west to watch the Horned Frogs and Boise State at the Fiesta bowl.

Peggy Conway is the director of MBA Admissions here at TCU. "I'm expecting very few people in the office this morning. Most folks have taken vacation and are in Phoenix." For those like her holding down the fort here in Fort Worth, the fashion statement today is purple all the way. At TCU, Jim Ryan, WBAP 24/7 news.

EL MERCURIO

www.emol.com

January 7, 2010

MBA Neeley School of Business at Texas U. Mayor visit "El Mercurio"

Twenty MBA students Texas Christian University Business School and Universidad Mayor visited yesterday the premises of "El Mercurio", to see the industry media in Chile. Among teachers who accompanied the group were **Chris White** (associate professor), **Garry D. Bruton** (academic director) and Francisco Javier Garrido (director general of the Greater University Business School).



January 11, 2010

Lone Star State Outshines Others In Small Business Friendliness

The Small Business and Entrepreneurship Council recently named Texas the third friendliest state for entrepreneurs.

Texas boasts low business tax rates and superior workers compensation benefits, according to the **Small Business and Entrepreneurship Council**. This could be good news for entrepreneurs in the Lone Star State and Americans willing to move to Texas to find a job.

The SBEC recently released their Small Business Survival Index ranking of the top states for small businesses and entrepreneurship in the country, and Texas came out third. The council cited the state's low tax rates and local government spending issues as positive factors.

Texas also offers university and community college provisions for business education and development. **Brad Hancock, director of Texas Christian University's Neeley School of Business Entrepreneurship Center**, told the *Fort Worth Business Press* that the center has recently seen an increasing number of students who are interested starting a small businesses.

While Texas's high marks are clearly important news for blossoming entrepreneurs, SBEC economists think the Small Business Survival Index rankings should be important to all Americans.

SBEC chief economist Raymond Keating told the source, "[S]mall businesses, of course, drive innovation, economic growth and job creation. If we want to get our economy back on a solid, robust growth track, then we need pro-entrepreneur policies at the federal, state and local levels."

Neeley in the News - continued

The SBA reports that small businesses have generated more than 64 percent of net new jobs over the past 15 years.

Fort Worth BusinessPress

January 11, 2010

Study: Texas at top of small business rankings - *By Leslie Wimmer*

Out of the 50 states and the District of Columbia, Texas ranks No. 3 as one of the top friendliest states for small businesses and entrepreneurship in the country.

The Small Business and Entrepreneurship Council cited the state's low business tax rates, workers compensation benefits, and state and local government spending issues as positive factors key to Texas' third place ranking in the council's 2009 Small Business Survival Index study.

David Berzina, executive vice president of economic development for the Fort Worth Chamber of Commerce, said Texas' high ranking isn't surprising considering the opportunities available to entrepreneurs across the state and in North Texas. "Employees from some of these larger firms, Texas Instruments, Bell Helicopter, Lockheed Martin, they get the spirit and start a business of their own after they get their training from some of these bigger companies. They come up with an idea, and pursue the American dream," he said. Berzina added that Texas' universities and community colleges work together to provide opportunities for business education and development.

Brad Hancock, director of Texas Christian University's Neeley School of Business Entrepreneurship Center, said the center has seen an increasing number of students joining the center and showing interest in opening their own small businesses. The growing interest could be a rebound effect from the troubles corporate America has experienced over the last several years, **Hancock said**, adding that while students show interest in a number of different industries, technology is becoming one of the more popular choices. "We are seeing more students, I think because they're more technology proficient, looking at technology-based business," **he said**. "I think more students are asking 'How can we use the iPhone? How can we use the Internet and this technology that's emerging?'"

The Dallas Morning News

Denton Record-Chronicle

January 17, 2010

TCU recognizes student entrepreneurs

Texas Christian University's Neeley School of Business recently named five student finalists in its **Texas Youth Entrepreneur of the Year** awards program. The finalists are Sophie Galant of the Greenhill School, Cody Miller and Ryan Pearlman of Parish Episcopal School and Majisty Dennis and Gabrielle McBay of DeSoto High School. These five students are among 24 finalists in the awards program, the winner of which will be announced Feb. 22.

FOOD PRODUCT DESIGN

January 22, 2010

Preserving Brand Value

Demand for more value may continue long after an economic recovery, leading to bankruptcy or demise for some well-known companies if they don't adjust their positioning.

Marketing experts **Dr. Robert P. Leone of the Neeley School of Business at Texas Christian University in Fort Worth** and **Dr. Randle D. Raggio of Louisiana State University** reveal and recommend two positioning strategies—"just good enough" and "altered amortization"—companies can use to keep their brands in consumers' minds. Depending on certain factors, either approach could be successful, but only one can be chosen for any brand since the methods are mutually exclusive.

Neeley in the News - continued

As reported by *Newswise*, in the “just good enough” strategy, brands are marketed as having adequate quality at low prices. This influences consumers to feel that prestige brands aren’t worth their higher prices when lesser brands will do. “With breakfast cereal, for example, as money got tight many consumers switched to store brands to save a buck or two per box,” **Leone said**. “The attitude is, ‘This store brand is good enough.’”

The “altered amortization” strategy portrays prestige brands as being worth the costly price tags through attributes such as being longer lasting, requiring fewer repairs, experiencing less depreciation, and by offering extra amenities such as money-back guarantees and extended warranties.

“Some products can capitalize on an image of high quality and durability, which some consumers may not have considered so much before. With vehicles, for instance, durability and fuel economy are now much more important to potential buyers than styling since these save money in the long run,” **he said**.

Brands not decisively marketed as offering the best value, either by being just good enough or presenting altered amortization, risk fading from the marketplace. These brands are “stuck in the middle.”

“A brand stuck in the middle is not a ‘value’ offering. It doesn’t have the lowest price in terms of the value proposition, and it’s not a high-quality product that would cost less over time due to reliability and durability,” **Leone said**. “Before the economic downturn, a lot of consumers were willing to buy from companies in the middle. Now they’re not.”

Star-Telegram **CALIFORNIA** CHRONICLE

January 24, 2010

‘Up in the Air’ product placement pays off for American Airlines, Paramount - *By Andrea Ahles*

When Paramount Pictures decided to make the movie *Up in the Air*, the studio had its usual pre-production checklist. Hire an award-winning director. (Jason Reitman. Check.) Get a handsome Hollywood movie star. (George Clooney. Check.) Find an airline. (Huh?)

The story of corporate layoff consultant Ryan Bingham involved his attempt to hit 10 million frequent-flier miles, and that intrigued American Airlines, which has over 20 million members in its AAdvantage frequent-flier program. So in the fall of 2008, when Paramount approached American about using its airplanes, terminals and Admirals Clubs, the Fort Worth-based carrier said yes to one of the more comprehensive movie product-placement deals done in Hollywood. And with the movie raking in \$71 million and a Golden Globe so far, it looks like the deal has paid off.

Reitman knew early on he didn’t want a fictional airline for *Up in the Air*, based on a book of the same title by Walter Kirn. But it wasn’t until location scouts went to St. Louis, Omaha, Neb., and Detroit that Paramount knew it would approach American. What sealed the deal for American... was that the movie company did not want any money -- just access to airports and planes and help in marketing. Since American was dealing with large losses due to skyrocketing fuel prices at the time, not having to pay cash to place its product in the movie was appealing.

As the movie ramped up for its November limited-release date, American launched marketing campaigns for the film. AAdvantage members could use their miles to bid on props and items from the movie. The airline gave away a trip to the movie’s premiere as part of its Admirals Club 70th anniversary celebration.

“We’ve been able to track and generate very good revenue for American Airlines, and we’re extremely happy with the results that it has brought us,” Sanez said, although he declined to divulge any details.

It’s difficult to tell whether American has seen any immediate benefit from the movie’s success, said **Mark Houston, a marketing professor at the M.J. Neeley School of Business at Texas Christian University**. But the movie does provide a positive image of American, and viewers could leave the theater feeling good about the airline.

Neeley in the News - continued

"If you are able to influence just a small percentage of travelers to at least look into your product, it does, over time, translate over to sales," **Houston said**.

American is not the first, nor will it be the last, corporation to become an integral part of a movie and not just another prop.

In E.T.: The Extra-Terrestrial, a young character, Elliott, uses the candy Reese's Pieces to lead E.T. back to his house. And in the Transformers movies, General Motors had several models, including the revamped Chevrolet Camaro, in leading roles as robots that transform into cars. In both cases, sales of the featured products soared following the movies.

Marketing experts agree that more corporations are eager to put their products in movies and televisions because it does create shareholder value, particularly if the movie or TV show does well.

So, if Up in the Air is nominated for an Academy Award, it might not immediately translate into more passengers -- but it will keep American's brand in front of consumers longer.

"American really rolled out the red carpet because they knew the benefit," **Houston said**.



January 27, 2010

Graduate school becoming more popular for students - By Katie Vance

Although more students are applying to attend graduate or law school directly after graduation, students should hold a job for at least two years to discover their interests and goals, a university official said. **William Cron, professor of marketing and academic director of the MBA program for the Neeley School of Business**, said an ideal MBA candidate would have professional experience.

"Our ideal candidate is going to have somewhere within a 650 to 690 GMAT score, probably five years of experience and a science background...beyond all that, somebody who has a pretty good idea of what they want to do when they get out of the program," **Cron said**. "It is also really, really important that this person be a person of action."

Applications for admission to graduate schools within the United States increased 4.8 percent between the fall of 2007 and the fall of 2008, according to the Council of Graduate Schools Web site.

Cron said he thought the poor economy was the main motivation for some students applying for a graduate program without work experience.

Increasing interest in graduate school was reflected in the rising number of admission test takers. It was estimated that about 270,000 people took the Graduate Management Admission Test in 2009, about 2,300 more than the previous year, according to the Graduate Management Admission Council. In addition, the number of LSATs administered in 2009 rose 6.4 percent from 2008, according to the Law School Admission Council Web site. In 2008, the number of LSATs administered rose only 1.6 percent when compared to the year before. Further, the number of Graduate Record Examination test takers rose to 670,000, a record 13 percent increase compared to last year, according to an article in The New York Times that cited the Educational Testing Service.

"Coming out with a degree, (students) don't see the opportunities for employment right now," **Cron said**. "They make themselves more employable by going to graduate school." Cron said that a benefit of an MBA is the ability to make an adjustment in a career.

Maddison Grigsby, a senior international finance major, said that although she was confident in her ability to network and hold a job in this economy, she has seen friends who have struggled to find a job after recently graduating. "Undergrad is great, but

Neeley in the News - continued

undergrad is more (of) an expectation," Grigsby said. "People are getting higher quality education and getting more education. If you don't have a master's, then you are likely not going to be marketable for the upper-level jobs." Grigsby said she did not consider herself to be a marketable candidate to an MBA program without a few years of professional experience.

"There is not just one path," **Cron said**. "The hidden cost...is that students who start out in one direction find out they don't like what they have been studying or that there is greater opportunity for them elsewhere."

Melissa Moody, a senior business information systems and supply and value chain management major, said that she is concerned about the job market outlook for when she graduates, but that the Neeley School has prepared her for the future. "I really took the initiative to talk with a lot of my professors and get mentored by some business people in the community," Moody said.

Cron said he recommends students take on an internship before considering a direct transition into a graduate program.

Sixty people entered Neeley's full-time MBA program this year, an increase of almost 50 percent from last year, Cron said. Of those 60, two were coming directly from an undergraduate program, Cron said. Neeley's MBA students have an average of four years of professional experience, he said. As Neeley received more applicants to its full-time MBA program, it also received more qualified applicants, Cron said. In 2008, the average GMAT score of a Neeley MBA applicant was 608. Today the average GMAT score is 639.

Cron said the national trends in younger graduate students are not as prevalent at the university. Although the economy is a factor in graduate school interest, he said the reputation of the Neeley MBA program and the attractiveness of a TCU education was also increasing the quality and number of applicants.

TCU DAILY SKIFF

January 27, 2010

Nolan Ryan to speak about youth-oriented nonprofit foundation - *By Nathan Wall*

The Dallas business community will receive a visit from Hall of Fame baseball pitcher Nolan Ryan, the featured speaker at a **Neeley School of Business** event Thursday. **O. Homer Erekson, the John V. Roach Dean of the Neeley School of Business**, said Ryan, a former part-time assistant baseball coach at TCU in 1994, will talk at the InterContinental Dallas from 11:30 a.m. to 1 p.m. Thursday. Erekson said Ryan will speak about current events in the business world and the challenges he is facing. "(Ryan) really brings this really interesting perspective...of (how), in the sports entertainment industry, important business decisions are made," Erekson said. Erekson said professional athletics is an interesting industry. "The Texas Rangers are really important for this metropolitan area," Erekson said.

TCU DAILY SKIFF

January 29, 2010

Nolan Ryan says hope for baseball teams in the recession - *By Nathan Wall*

This wasn't his Hall of Fame induction ceremony but nevertheless Nolan Ryan entered the banquet room at the InterContinental Dallas hotel on Thursday morning to loud applause. Ryan took the stage after the lunch session and answered questions ranging from his baseball-playing days to his recent involvement in the purchase of the Texas Rangers. He also spoke about how the down economy was affecting the way owners run their baseball teams.



Neeley in the News - continued

Elaine Cole, public relations manager for the Neeley School of Business, said Ryan's presence helped set a new attendance record for events hosted by the TCU Business Network of Dallas. She said 315 people showed up at the Intercontinental Dallas to listen to Ryan speak.

O. Homer Erikson, dean of the Neeley School of Business, said he was impressed with the turnout. "TCU has networks all over the place, but really Dallas is one of the best places," **Erikson said**. "The turnout for this shows it was real." Erikson said that people enjoyed hearing Ryan's stories about baseball and that he brought a unique perspective on the business side of the sport.

"If you listened behind (his speech) he really talked about the business of baseball (and) the kinds of...decisions he has to make as an owner," **Erikson said**. "(Ryan talked) about the different challenges people face in the industry."

Star-Telegram

January 29, 2010

MLB's budget constraints cost Rangers a pitcher - *By Jeff Wilson*

A crowd of more than 300 received a detailed account Thursday from Nolan Ryan on how Matt Purke ended up pitching for TCU. Ryan, the Texas Rangers' team president and future minority owner, was the guest speaker at the **TCU Business Network of Dallas** at the Intercontinental Hotel. The event was presented by the **Neeley School of Business** and the TCU Alumni Association.

BizEd

January/February 2010

Nonprofits. Partner Carefully

Not that many corporations want to boost their social responsibility initiatives, nonprofits are themselves seeking more support from public-sector firms. But nonprofits should be cautious when they create those alliances, say **Stacy Landreth Grau, associate professor of marketing in the Neeley School of Business at Texas Christian University in Fort Worth**, and Amanda B. Bower, marketing professor at Washington and Lee University's Williams School of Commerce, Economics and Politics in Lexington, Virginia. If a cause pairs its name with the wrong firm, it could send the wrong message and possibly damage the brand.

For their study, **Grau** and Bower created a fictional childhoods learning company. They then developed various print ads for that company that indicated several levers of connection to two fictional nonprofits. Some ads included only the nonprofits' logos (a licensing agreement); others linked a consumer purchase to a donation to the nonprofits (cause-related marketing); and others featured the nonprofits; stated endorsement of the company.

When the researchers surveyed participant reaction to the ads, they found that most participants paid no attention to the level of nonprofit engagement in the ads – in many cases, consumers assumed the logo alone represented a seal of approval. For that reason the licensing agreement, with only the logo appearing in the ads, could be the riskiest type of partnership for the nonprofit.

"Our results suggest that some CSR initiative may produce consumer inferences that are wrong but desirable for the company," says **Grau**. "These inferences can have potentially negative consequences for the nonprofit"

"Explicit donations and Inferred Endorsement: Do Corporate Social Responsibility Initiatives Suggest a Nonprofit Organizations Endorsement?" appeared in the Fall 2009 *Journal of Advertising*.