

CONTROLLING THE ODDS: SKILL OR CONCEIT?

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ABSTRACT

The success of a complex marketing project (e.g. the launch of a new product, the initiation of a major ad campaign, etc.) depends not only on factors related to the actions of the firm, but also on factors outside the firm's control. However, marketing managers often believe they can use their managerial skill to minimize the potential negative impact of these outside factors, i.e. they exhibit "managerial conceit" (March and Shapira 1987). In this paper, we explore the antecedents and consequences of such managerial conceit. We develop a new process model of managerial conceit, and then test this model in two controlled experiments. We find that whenever marketing managers act on cues that cause them to think they can control some outside factor (even though in reality they cannot), managers exhibit conceit, i.e. managers behave as if they can "control the odds" related to this outside factor. Such conceit-ridden beliefs feed forward and lead to managers making sub-optimal decisions about the overall marketing project. Implications for marketing theory and for marketing practice are discussed.

References Available on Request.