

Bayesian Statistics and Marketing

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Bayesian methods have become widespread in marketing literature. We review the essence of the Bayesian approach and explain why it is particularly useful for marketing problems. While the appeal of the Bayesian approach has long been noted by researchers, recent developments in computational methods and expanded availability of detailed marketplace data has fueled the growth in application of Bayesian methods in marketing. We emphasize the modularity and flexibility of modern Bayesian approaches. The usefulness of Bayesian methods in situations in which there is limited information about a large number of units or where the information comes from different sources is noted. We include an extensive discussion of open issues and directions for future research.

(Bayesian Statistics; Decision Theory; Marketing Models; Critical Review)
