B6601: Marketing
Fall 2014

T/R 09:00 - 10:30 – 001/Cluster A – Warren 207
T/R 10:45 - 12:15 – 005/Cluster E – Warren 207
T/R 14:15 - 15:45 – 004/Cluster D – Warren 310

Instructor
Oded Netzer
520 Uris Hall
on2110@columbia.edu
Office Hours: By appointment (schedule via email)

Teaching Assistants
Cluster A: Siddhesh Nasnodkar
sprabhunanodkar15@gsb.columbia.edu
Cluster E: Jia Liu
JLiu16@gsb.columbia.edu
Cluster D: Rachel Meng
rm3081@columbia.edu
Office Hours: By appointment (schedule via email)

COURSE DESCRIPTION

Marketing is the core of an operating business and customers are the central focus of marketing. The course follows a customer-centric approach to marketing, which is based on understanding customers and how they drive firm value. In the heart of the customer-centric approach is the realization that the individual customer, and not only the product, should be a key unit of analysis for the firm. As technology enables us to follow and understand individual customer behavior, this ability leads to massive changes in the way marketing is performed. The central premise of the course is that customers are assets to be acquired, maintained (retained) and nurtured and that by summing their individual contributions (value) over time, one has a good sense of the overall value of the firm in its current business model.

The course uses class projects, hands-on exercises, case studies, and class discussions to explore the different sources of customer value and the value of different customers to the firm as well as the development of marketing strategy and its implementation through what is traditionally called the “marketing mix.” The course highlights both theory and applications. The cases and problems present challenging contexts in which to apply and hone decision-making skills.

This course is designed for managers in all areas of business. Revenue, the top line in a P&L statement, largely comes from customers and is a direct consequence of a firm’s marketing strategy. Moreover, entrepreneurial ventures and “start-ups” rarely succeed without an effective marketing strategy (and a compelling marketing plan).

This course emphasizes both quantitative and qualitative analysis. Qualitative analysis is important because marketing is, in the end, concerned with the behavior of people – consumers, competitors, collaborators/partners such as salespeople and distributors that is sometimes difficult to capture in quantitative terms. At the same time quantitative analysis is invaluable for estimating the impact of marketing decisions on customers and firm profits, and critical for assessing and effectively communicating the value of a marketing plan.
It is important to balance both kinds of analysis when you justify the marketing decisions you will make in class discussion and assignments. You will also need to make decisions with incomplete and sometimes inconsistent information, just as one does in the “real” world.

COURSE OBJECTIVES

This course emphasizes the role of marketing in creating value for customers, which in turn leads to value for other stakeholders in a firm (e.g., owners, shareholders, employees). The main objectives of the course are to improve your ability to:

1. Assess market opportunities by carefully analyzing customers while taking into account competitors and the strengths and weaknesses of a company.

2. Design effective marketing strategies to maximize a company’s chance of success in the markets in which they compete by segmenting the market, targeting “winnable” segments, and positioning the company’s offerings to appeal to the target segments.

3. Develop and evaluate programs designed to implement marketing strategy.

COURSE MATERIAL

Required Reading

Most of the required readings and cases are provided in the B6601 Readings and Cases Packet as well as posted in Canvas.

Additional Reading

Interested students may consider consulting the following texts for additional information on topics covered in the course:


Additionally, you will find topical business press and relevant scholarly articles related to the topics we cover in class as optional readings in Canvas.

Hardcopies of the PowerPoint slides for each class will be distributed at the beginning of each class. Electronic versions of the slides will be posted on Canvas.
EVALUATION

Class Participation & Preparedness 20% (individual), type C
Measuring Preferences and Product Design Exercise 20% (group), type A
Individual Exercises 20% (individual), type C
Final Examination 40% (individual), type C

All written work is due in class on the prescribed date. Late submissions will not be accepted.

Explanation of Assignment Types

<table>
<thead>
<tr>
<th>Type</th>
<th>Designation</th>
<th>Discussion of concepts</th>
<th>Preparation of submission</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>group/group</td>
<td>Permitted with designated group*</td>
<td>By the group</td>
<td>Same grade for each member of group</td>
</tr>
<tr>
<td>B</td>
<td>group/individual</td>
<td>Permitted with designated group*</td>
<td>Individually</td>
<td>Individual</td>
</tr>
<tr>
<td>C</td>
<td>individual/individual</td>
<td>None of any kind</td>
<td>Individually</td>
<td>Individual</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td>(An optional additional category to be defined in detail by the individual faculty member.)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*The designated group is either the assigned study group/learning team or a self-selected one used for the duration of the course.

(1) Class Participation

Your class participation grade will be based on the following factors:

Attendance: Much of the learning will occur in the course of the discussions in class, and regular attendance is required in order to receive credit for class participation. **Excused absences must be cleared through the office of student affairs (OSA), who will then inform me of the excused absence.** In general, reasons for excused absences include health problems, personal emergencies, and religious observance (not interviews).

Preparation and Participation: To a large extent, learning in this class is related to your willingness to expose your insights and viewpoints to the critical judgment of your classmates. Thus, to make the learning process much more beneficial and enjoyable for both you and me, each one of you is expected to contribute to class discussions. Students should be prepared at all times to comment in any class session. Class members may be randomly selected for participation (i.e., cold called) during case discussions. Reading the required readings and cases for each session is the best way to prepare for class discussion. Evaluation of class participation is based upon the quality (not the quantity) of your comments, as reflected by their relevance, insightfulness, and coherence. Attendance is a
necessary but not sufficient condition for participation. If you do not actively participate, you will receive a low participation grade even if you attend every class.

As sessions will commonly utilize interactive polling slides and in-class modeling exercises, **students should bring TurningPoint clickers to every session and laptops to selected sessions according to the syllabus.**

Class preparedness will also be assessed based on your completion of some short online surveys. You should fill out each survey before the start of the corresponding class as noted in the course description below. The link to each survey may be found on Canvas. (Note: in general, surveys do not have unique correct answers. You will receive full credit for each survey as long as you fill it out and give some reasonable justification for your answers.)

**Conduct:** Out of respect for the other students in your class, it is important for you to focus your full attention on the class for the entire class period. Most students observe proper decorum, but it takes only one person’s behavior to distract the entire class. Columbia Business School students have complained to the school about students who use class time for other purposes or act in a distracting manner. Class will be conducted using the same rules of decorum that would apply in a business meeting. These rules include the following:

- Arrive to class on time.
- Once you have arrived, you should leave the classroom only if absolutely necessary.
  - Leaving to make or take phone calls, to meet with classmates, or to go to an interview, is not considered appropriate behavior.
- If for some reason you must be late for class or leave early, please let me know.
- **Unless otherwise directed, use of laptops, cell phones, PDAs, or any other wireless devices is prohibited.**

**2) Individual Exercise – Customer Lifetime Value (Type C)**

An individual exercise focused on customer lifetime value will be assigned in the second session (October 28) and will be due at the beginning of the fifth session (November 11). This is a type C assignment, which means that you have to do this assignment completely on your own.

**3) Individual Exercise – Marketing Strategy: Ontela PickDeck (Type C)**

An individual exercise consisting of a mini case analysis revolving around the topics of segmentation, targeting and positioning will be assigned in the fifth session (November 11th) and will be due at the beginning of the eighth session (November 20). This is a type C assignment, which means that you have to do this assignment completely on your own.
(4) Preference Measurement and Product Design Exercise (Type A)

Conjoint analysis is a commonly used technique to measure consumer preferences, design new products and assess willingness to pay. We will learn and use conjoint analysis in several sessions throughout the class. You will work in a study group of four to five students to design and test your own new product concept using conjoint analysis. After designing the data collection instrument (questionnaire), you will collect and analyze data on preferences to make decisions about the product you plan to introduce.

The conjoint exercise will be assigned in the third session (Oct. 30th) and will be due at the beginning of the eleventh class session (Dec. 4th).

A review session will be held on November 7, from 10:45-12:15 on conjoint-related concepts.

(4) Final Exam (Dec. 17)

The final examination will be a three-hour, open-book, open-notes exam. The exam will be designed to test your understanding of the topics covered in the lectures, readings, cases and assignments.

The construction of reliable, discriminating and valid exams is a difficult endeavor, and returning exams precludes the use of those test questions for many years. As the primary goal of the final exam is to evaluate student’s knowledge, exams are not returned. Final exams will be available in my office for the duration of the next semester for your inspection.

HONOR CODE

You are expected to conform to the norms of behavior outlined in the Columbia Business School Integrity Code. Use of case or lecture notes from previous sections of the course is not allowed. Any allegation of academic dishonesty will be forwarded to Dean’s office for investigation. Any case of proven academic dishonesty will result in failure of the course.

COLUMBIA CORE CULTURE

The purpose of the Columbia Core Culture is to promote a consistent classroom environment of mutual respect, preparation and engagement. Our expectation of you in class is to be:

Present and punctual: Your success depends on being on time and present for the entire class every session. Attendance will be part of your grade for class participation and students are expected to sit in their assigned seats.

Prepared: Bring your nameplate, clicker, and complete any pre-work needed for class discussion. Expect the professor to cold call in class.

Participating: Active participation calls for no electronic devices such as laptops, tablet computers, or smartphones during class, except when the professor tells you as part of in-class work.
# COURSE SUMMARY

<table>
<thead>
<tr>
<th>Session</th>
<th>Date</th>
<th>Topic</th>
<th>Readings/Cases</th>
<th>Assignments</th>
</tr>
</thead>
</table>
| 1       | 10/23/2014 (R) | Introduction + Customer lifetime value: What’s a customer worth? | 1. What’s A Customer Worth*  
2. Rethinking Marketing*  
3. Basic Quantitative Analysis | Answer online survey (link on Canvas) |
2. A Marketer Guide to Behavioral Economics*  
3. Economic Value to the Customer (EVC)* | Answer online survey (link on Canvas) |
| 3       | 10/30/2014 (R) | Measuring what customers want | 1. Understanding Conjoint Analysis in 15 Minutes*  
2. A New Way to Gain Customer Insights*  
3. Use of Conjoint Analysis in the Apple Samsung Case*  
   1. The Shape of Marketing Research in 2021 | Answer online survey (link on Canvas) |
| 4       | 11/6/2014 (R) | Customer Insights | 2. Polyphonic Case*  
4. Marketing's Age of Relevance:* | Answer online survey (link on Canvas) |
|         |              |                              | **Conjoint Analysis Review (Friday 11/07/2014, Uris 142, 10:45 AM - 12:15 PM)** |                                                 |
| 5       | 11/11/2014 (T) | Segmentation: How can we categorize customers? | 1. Rediscovering Segmentation*  
2. Identifying Market Segments and Targets* | Hand in CLV Exercise |
| 6       | 11/13/2014 (R) | Targeting + Positioning Who will we target? What will we offer customers? | 1. Positioning*  
2. Generating Perceptual Maps from Social Media Data* | Hand in STP (Ontela) Exercise |
| 7       | 11/18/2014 (T) | Marketing strategy | 1. Starbucks Case*  
2. Starbucks in the New Millennia* | Answer online survey (link on Canvas) |
2. Encouraging Innovation and New Product Adoption* | Hand in STP (Ontela) Exercise |
| 9       | 11/25/2014 (T) | Pricing: What price(s) will we charge? | 1. Principles of Pricing*  
2. Using Big Data to Make better pricing decisions* |                                                 |
| 10      | 12/2/2014 (T) | Communication & Social media: How will we communicate with customers? | 1. BBVA Compass: Marketing Resource Allocation* | Answer online survey (link on Canvas) |
| 11      | 12/4/2014 (R) | Marketing mix allocation | 1. Adding Social Media to the Marketing Mix*  
2. Using Social Media Data to Track the Effectiveness of a Communication Campaign*  
3. Marketing Promotions* | Hand in Product Design Exercise |
| 12      | 12/9/2014 (T) | Course Finale + Branding | 1. How do Brands Create Value*  
2. Brands and Brand Equity*  
3. The Changing Face of Marketing* |                                                 |

* indicates required readings; other readings are optional but highly encouraged