



MARKETING ANALYTICS (MGB 293)

SUMMER 2015

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PURPOSE

The purpose of this course is to understand the benefits of using statistical and mathematical techniques in a systematic way to make better marketing decisions. It builds on marketing and statistics courses you have taken. In short, it will give you grounding in what is being called “data-driven marketing”. Plus you’ll get some data under your fingernails so you get an appreciation for what it takes to make analytics “happen”.

Marketers are increasingly being held accountable for demonstrable progress against key performance indicators (KPI’s) tied to corporate growth—measurement against goals has become a way of life. Analytic techniques help set baselines, understand drivers of these KPI’s and growth metrics, and make predictions.

That said, the field of marketing analytics is now so vast that 10 sessions cannot possibly cover all techniques and applications. Rather, we will focus on selected techniques and applications.

WHAT THE COURSE IS NOT

This is not a course in “big data” analysis, nor is it restricted to online marketing. But, both subjects will be addressed.

WHO SHOULD TAKE THIS COURSE?

This course is for you if you (a) like marketing, (b) like solving business problems using quantitative evidence, (c) like hands-on data analysis and (d) are comfortable with basic statistical concepts such as multiple regression.

Do not take this course if “numbers make you queasy, equations make you sweat, or models make you blush” (Martyn Jones, LinkedIn post, April 16 2015). At the other extreme, you will most probably not get much out of this course if you are an expert in multivariate statistics, econometrics, psychometrics, machine learning, data science and the like.

LEARNING OBJECTIVES

At the end of the course you will:

- Have an improved understanding of systematic and analytic thinking as applied to marketing decisions
- Demonstrate an understanding of analytics concepts presented during the class, and how these concepts improve marketing decision making
- Be aware of the trends in the field
- Be able to apply the techniques discussed in the class to real-life problems, and know when and where to use them

All said and done, you will be able to contribute significantly to (and to lead) marketing teams at your workplace with an analytics flair.

LEARNING APPROACH AND REQUIREMENTS

We will use a wide mix of learning methods—lectures, class discussions, case analyses, exercises, and so on—to fully utilize the relatively short time we have together.

In terms of classroom etiquette, please think of the best business meetings you have been to.

- People came on time. They were prepared. They contributed. They were enthusiastic about solving the problem at hand. Comments added insight, and often built on comments of others. They treated one another with respect, but were not afraid to disagree.
- But, disagreements were not “personal.” They did not grandstand. They did not “hog” air time and make points just to hear themselves speak. Neither did they sit there like bumps on a log, looking disinterested and refusing to participate. And, ***they did not stare at their phone or computer screens, oblivious of what was going on.***

The same professionalism will be expected in the classroom.

To achieve our goal of a learning-centered classroom, the following are ***required of all students.***

- Attendance is required in all sessions.
- Please bring a laptop to class every day. You’ll need it.
- ***Please come prepared to class starting on day one, and for all remaining classes. That is, please read and internalize all the articles and chapters from the textbook, and come prepared to discuss the case(s), and to hand in your written analysis/presentation.***
- Participation in class discussions (including case discussions and software exercises) is required. While quality will count a lot more than quantity, it is unlikely that being relatively quiet will get you high marks on discussion.

WEIGHTING*

- Attendance: 10%
- Class participation: 30%
- Written case analyses/presentations/exercises: 30%
- Final exam and/or group project: 30%

Please see note at end of this document.

REQUIRED TEXTS

Paul Farris, Neil Bendle, Phillip Pfeifer and David Reibstein, *MARKETING METRICS: THE DEFINITIVE GUIDE TO MEASURING MARKETING PERFORMANCE (2ND EDITION)*, Pearson, 2010 (MM)

Venkatesan, Rajkumar, Paul Farris and Ronald Wilcox, *CUTTING EDGE MARKETING ANALYTICS: REAL WORLD CASES AND DATA SETS FOR HANDS ON LEARNING*, Pearson, 2014 (CEMA).

SOFTWARE

We will do some of our work in Excel. Additionally, you will have access to the appropriate SPSS modules to analyze data--details will follow.

CURRENT ISSUES IN ANALYTICS

There is a lot of knowledge out there in the public domain on marketing analytics. Here are some starting points.

- <http://www.tomdavenport.com/blogs-articles/>
 - Davenport is one of the leading thinkers in business analytics.
 - He also blogs for Deloitte—see <http://dupress.com/bio/tom-davenport/>
- <http://www.mediapost.com/>
 - Just one of the many marketing sites. Sign up to learn what's current in marketing, particularly in media and online. Sign up for some of their newsletters.
- All the major consulting firms—Accenture, BCG, Deloitte, McKinsey—have lots of free material on their sites focusing on marketing analytics. Altimeter is also an interesting one for their focus on digital.
- Marketo, a leading digital marketing firm, and NetBase, a social marketing firm, are just two of the firms who share their intellectual property in the form of white papers.
- <http://fivethirtyeight.com/>
 - This is a very fun site for data and analytics wonks.
 - Nate Silver, founder and editor-in-chief, and his colleagues are pioneers of data journalism.
 - Fivethirtyeight.com is now owned by ESPN; so, it's not surprising that there is also extensive coverage of sports on the site!!
 - BTW, Silver correctly predicted the winner in 49 of the 50 states in the 2008 presidential elections, and correctly predicted the winner in all 50 states in the 2012 presidential elections. He knows his analytics!!

SCHEDULE*

Please see note at end of this document.

1. FRI, 6.19.15, 6:00-9:00 PM

INTRODUCTION

Reading

- “The rise of the marketer,” The Economist Intelligence Unit, 2015
http://futureofmarketing.eiu.com/briefing/EIU_MARKETO_Marketer_WEB.pdf
- Elisabeth Sullivan, “Analytics in Action,” Marketing News, Dec 2014
- “From Insight: Action,” Marketing Insights, Nov/Dec 2014

Assignment

Familiarize yourself with the EIU’s view of where marketing is headed, and the two papers that report findings from the AMA’s 2014 Marketing Analytics Survey. Come prepared to discuss (a) the gap(s) you see, and (b) the opportunity for you.

WHY ANALYTICS?

Reading

- CEMA Ch. 1

2. SAT, 6.20.15, 1:00-4:00 PM

MARKETING METRICS

Reading

- **Basic marketing metrics:** MM: Ch. 2, Ch. 3 (pp. 65-85), Ch. 4 (pp. 109-125), Ch. 10 (pp. 350-354)
- **Digital metrics:** MM Ch. 9 (pp. 287-316, 320-336)
- Skim this material before class. You can follow along as we cover these topics in class.

3. FRI, 7.10.15, 6:00-9:00 PM

BASIC METRICS

Assignment

- Lay's Potato Chips in Hungary (A): Creating Awareness and Building Brand Image at Product Launch (HBSP INS439)
- Lay's Potato Chips in Hungary (B1): Promotion Activity and Results (HBSP INS440)
- Lay's Potato Chips in Hungary (B2): Long-Term Effects of Promotions (HBSP INS 441)

You will be given questions to answer to prepare—these should serve as your preparation for the class discussion. Additionally, **written answers to these questions should be submitted before class starts.**

4. SAT 7.11.15, 1:00-4:00 PM

DIGITAL MARKETING (CONT.)

Reading

CEMA Ch. 15, 17

Assignment

VinConnect Inc. (CEMA Ch. 19)

Answer questions given, and **submit written answers**.

5. FRI 7.24.15, 6:00-9:00 PM

SEGMENTATION, TARGETING AND POSITIONING

Reading

- Brand positioning statements (Darden UVA-M-0827)
- Video: <https://www.youtube.com/watch?v=CnhCvqBcMmo>
- Experian, The Mom Report (PDF to be supplied by me)

Assignment

Ontela PicDeck A (HBSP KEL 450)

Ontela PicDeck B (HBSP KEL 451)

Familiarize yourself with the material in the case by preparing answers to the questions you get. You do not need to submit written answers. We will analyze the case in class to illustrate how to choose between segments and how to profile market segments.

6. SAT 7.25.15, 1:00-4:00 PM

SEGMENTATION, TARGETING AND POSITIONING (CONT.): USING CLUSTER ANALYSIS FOR

SEGMENTATION

Assignment

Ontela B: Write a persona for the **one** segment from the quantitative study (Ontela B) you think should be targeted (see case A for examples of personas). Then, write a positioning statement for Ontela PicDeck following the format in the “Brand positioning statements” reading. Include a rationale for why you chose the segment you did. **Written documents are to be turned in.**

Reading

CEMA Ch. 3. Familiarize yourself with the theory of cluster analysis.

Assignment

Sticks Kebob Shop (CEMA Ch. 4)

Familiarize yourself with the issues in the case. We will work on cluster analysis together in the class.. Written analyses are not required.

7. FRI 8.7.15, 6:00-9:00 PM

MULTIPLE REGRESSION

Reading

CEMA: Ch. 7, 8

Assignment

Svedka Vodka (CEMA Ch. 9)

Familiarize yourself with the issues in the case.

8. SAT 8.8.15, 1:00-4:00 PM

MULTIPLE REGRESSION

Assignment

Cardagin: Local Mobile Rewards (CEMA Ch. 20)

Answer the questions and **turn in written documents**

LOGISTIC REGRESSION AND DECISION TREE ANALYSIS

Reading

CEMA Ch. 13

Assignment

Retail Relay (CEMA Ch. 12, 14)

9. FRI 8.21.15, 6:00-9:00 PM

BASS DIFFUSION MODEL (TIME PERMITTING)

Reading

Forecasting the adoption of a new product (HBSP 9-505-062)

Assignment

E-Comics: Forecasting Demand (HBSP W14490)

10. SAT 8.22.15, 1:00-4:00 PM

WRAP UP

11. SAT 9.05.15, 1:00-4:00 PM

FINAL EXAM AND/OR GROUP PROJECT PRESENTATION

Please see note below.

***NOTE**

The schedule above is the “zero based” one, and will be followed unless we have guest speakers and the like.

That said, I have reached out to various practitioners with suggestions regarding a group project, and invitations to be guest lecturers. Interest in both is high, but it’s not all final yet because of busy calendars of senior people. All this will get finalized before classes start. ***Once the i’s are dotted and the t’s are crossed, course weightings and the schedule will be tweaked and will be made “final final”, and you will be notified. But, the major thrust will remain the same as above.***