

**UNIVERSITY OF PENNSYLVANIA  
THE WHARTON SCHOOL**

**The Social Impact of Marketing  
Marketing 733, Spring 2010**

**PRELIMINARY COURSE SYLLABUS**

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**Instructor:** Dr. Wes Hutchinson      office: 746 Jon M. Huntsman Hall  
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**Office Hours:** by appointment.

**Meeting Times & Place:** Tuesday/Thursday, 3:00 - 4:30pm, 265 JMHH

**Prerequisite:** MKTG 621 or permission of instructor.

**Wiki-textbook:** *The Social Impact of Marketing* ([http://mktg-linux1.wharton.upenn.edu/hutch/SIM\\_wiki-textbook](http://mktg-linux1.wharton.upenn.edu/hutch/SIM_wiki-textbook); currently under construction).

**Reading Materials:** Most materials, including cases, articles, assignments and lecture slides, will be available for viewing and download via Study.Net or webcafe. Some materials will be handed out in class.

**Course Description and Objectives:**

**MKTG 733, (The Social Impact of Marketing, .5 cu)** is a new mini-course being taught on an experimental basis. As the title suggests, this course explores the ways in which the marketing actions of firms can have an impact on society (positive or negative). Of particular interest are the actions that are central to the main products and services delivered by the firm (e.g., the development of products and brands, pricing, advertising, and distribution). It adopts a broad perspective on impact that goes beyond the buyer-seller transactions that define specific markets and also assesses impact in the aggregate marketing and social systems within which those transactions occur. For example, many analyses examine how the actions of suppliers further back in the value chain contribute to social impact and become part of branding strategies and consumer perceptions. This course contrasts with courses that focus on strategies for the design and execution of marketing programs for social causes, non-profit and non-governmental organizations or corporate social responsibility initiatives, although the material covered is foundational for such programs.

The course proceeds in two phases. The first phase covers important background material, such as the aggregate marketing system and how it affect society, problems of incentive misalignment, different approaches to measuring social impact, and how to conduct thorough social impact analyses of specific products and the marketing actions that supports them. The second phase is a "drill down" into four problem areas: impact on health and well-being (physical and mental), impact on the environment, impact on culture (including innovation and creativity), and impact on poverty and economic development. In each area, we will identify

marketing-related causal factors and assess current knowledge and controversies surrounding those factors. Students will conduct analyses of net social impact and present their findings in class on a regular basis. There is also a focus on current metrics for assessing social impact and how specific marketing actions and companies considered in their entirety can be "scored" in terms of their impact on society.

The course meets twice a week. Typically, one session is a lecture and/or a case, and one session is an in-class event (e.g., guest speaker, student presentations, simulation game, etc.). The main deliverables for the course are two position papers and a final short essay evaluating the social impact of companies or products in a specific industry (see below).

### **Grading:**

Expected grade distributions are given below.

<u>Component</u>	<u>Maximum Points</u>	<u>Expected Average</u>	<u>Expected Range</u>
Participation/Assignments (individual)	200	180	160 - 200
Position Paper A (team)	200	180	160 - 200
Position Paper B (team)	200	180	160 - 200
<u>Short Essay (individuals or 2-person teams)</u>	<u>400</u>	<u>350</u>	<u>300 - 400</u>
TOTAL	1,000	890	740 - 1,000

### **Class Participation/Homework (Individual):**

Class participation includes attendance, preparation, discussion during lectures and cases, and contributions to the *SIM* wiki-textbook (in the "Food For Thought" section or edits/commentary on entries other than the students own reports). Quality is more important than quantity. High quality contributions to class discussions (1) are concise and to the point, (2) build on group analyses and insights, (3) reveal thought and preparation prior to class, and (4) challenge the views of others without being derogatory. Performance on any homework assignments that are made for lectures or cases is counted as class participation.

### **Position Papers (teams):**

Each student will be randomly assigned to two position paper teams (i.e., one of A1 - A6 and one of B1 - B6). Students can swap team assignments if the swap is mutually agreed upon in advance (and communicated to Professor Hutchinson via email). Each position paper should identify an area of social impact that is clearly negative, clearly positive, or mixed. The evidence supporting these conclusions should be summarized in a brief paper (3,000 words or less) and presented to the class using a few powerpoint slides (15 - 20 minutes). Papers should be posted as an entry in the wiki-textbook in the appropriate section.

<u>Area of Social Impact:</u>	Clearly Negative Impact	Mixed Impact	Clearly Positive Impact
Health	A1	A2	A3
Environment	A4	A5	A6
Innovation	B1	B2	B3
Poverty & Economic Development	B4	B5	B6

### **Suggested Paper Outline:**

One simple format for the paper and presentation is to simply follow the 6-Step Method of analyzing social impact that was discussed in class. The 6 steps fall into 3 natural categories. However, if you think of a better way to organize either the presentation or the paper, you certainly can. Wilkie and Moore (1999) provides a comprehensive "checklist" of factors to consider. There are too many to discuss each one, so your first task is to identify the most important aspects for your particular product or marketing practice.

- I. Market Analysis
  - A. The Aggregate Marketing System
  - B. The Aggregate Social System
- II. Social Impact
  - A. Social Benefits
  - B. Social Costs
  - C. Net Social Impact
- III. Recommendations
  - A. Increasing Benefits
  - B. Decreasing Costs

### **Short Essay (individuals or 2-person teams):**

Students should form 2-person teams or work individually. The short essay should evaluate the major companies or brands in a specific market or industry and score each in terms of its social impact (using rankings or ratings; see Social Impact Scores.xls on webcafe). The paper (3,500 words or less) should describe the market (customers and competitors), the ranking/rating method adopted, information sources, and conclusions about current contributions to society, and recommendations for future improvement. As you write the report, remember that you must convince the reader that your scores are fair, accurate, and meaningful. Papers should be posted as an entry in the wiki-textbook in the appropriate section.

**Suggested Paper Outline:**

One simple format for the paper is provided below.

- I. Market Analysis
  - A. Aggregate marketing system
  - B. Aggregate social system
- II. Method
  - A. Inputs used for each factor
  - B. How inputs were integrated to form a factor score
  - C. Rationale for weighting each factor score
- III. Results
  - A. Social Impact Score summary table (use Social Impact Scores.xls as a template)
  - B. Economic Impact
  - C. Impact on Health
  - D. Impact on the Environment
  - E. Impact on culture
  - F. Impact on poverty & economic development
  - G. Net social impact
- IV. Recommendations
  - A. Increasing benefits
  - B. Decreasing costs
- V. Information sources and any other supporting materials or analyses

**Course Schedule:**

([D]–webcafe or study.net download; [H]–handout; [W]–public web source; [TBD] – to be determined)

Tuesday		Thursday	
		<b>14-Jan</b>	<b>Overview</b> TOPIC: Course description; Our goals, expectations, and preconceptions.  READINGS: Hutchinson ACR (2003abc) <i>Ecotourism</i> [W - wikipedia] <b>READ THESE PRIOR TO CLASS.</b>
<b>19-Jan</b>	<b>Martin Luther King Day (no classes)</b>  TOPIC:   READINGS:	<b>21-Jan</b>	<b>Introduction - Assessing the Social Impact of Marketing</b> TOPIC: Marketing as an aggregate system; contributions, criticisms, public perceptions; contrasting perspectives of economic and psychological theories and data; methodology for social impact analyses.  READINGS: Wilkie & Moore <i>JM</i> 99 Gaski & Etzel <i>JCR</i> (2005)
<b>26-Jan</b>	<b>Introduction - Assessing the Social Impact of Marketing</b> TOPIC: Marketing as an aggregate system; contributions, criticisms, public perceptions; contrasting perspectives of economic and psychological theories and data; methodology for social impact analyses.  READINGS: <i>Cafe de Columbia</i> (case)	<b>28-Jan</b>	<b>Introduction - Measuring the Social Impact of Marketing</b> TOPIC: Measurement issues in marketing (economics, psychology, and public opinion)     Brouwer and Koopmanschap <i>JHE</i> (2000), The Social Footprint (2008)
DUE:			
<b>2-Feb</b>	<b>Introduction - Measuring the Social Impact of Marketing</b> TOPIC: Measurement issues in marketing (economics, psychology, and public opinion)  READINGS: Diener et al <i>AP</i> (2006) Hagerty et al., <i>SIR</i> (2001)	<b>4-Feb</b>	<b>Health and Well-Being</b>  TOPIC: Key health issues; measuring health impact; incentive alignment problems;  READINGS: Menon et al <i>HCP</i> (2008)
DUE:		Position papers for Teams A1, A2, and A3	
<b>9-Feb</b>	<b>Health and Well-Being</b> TOPIC: Student Presentations	<b>11-Feb</b>	<b>Alcohol &amp; Society</b> GUEST: Robert I. Kaplan Manager of Corporate Responsibility Brown-Forman Corporation  READINGS: <i>Brown-Forman Corporate Responsibility Report</i>
DUE:			

<b>16-Feb</b> TOPIC: READINGS:	<b>The Environment</b> Key environmental issues; measuring environmental impact; green marketing and green consumers. Auger et al <i>IJRM</i> (2008)	<b>18-Feb</b> TOPIC:	<b>The Environment</b> Student Presentations
DUE: Position papers for Teams A4, A5, and A6			
<b>23-Feb</b> TOPIC: READINGS:	<b>Culture, Innovation, &amp; Creativity</b> Key issues for innovation, culture & creativity; measuring cultural diversity. Williams et al <i>HCP</i> (2008) Lynton <i>WSJ</i> (2007)	<b>25-Feb</b> TOPIC:	<b>Culture, Innovation, &amp; Creativity</b> Student Presentations
DUE: Position papers for Teams B1, B2, and B3			
<b>2-March</b> TOPIC: READINGS:	<b>Poverty &amp; Economic Development</b> Key issues for economic development; measurement; fair trade; certification. Prahalad <i>BOP</i> (2005) <i>CARE USA</i> (case)	<b>4-March</b> TOPIC: GUEST:	<b>Poverty &amp; Economic Development</b> Presentations Michael L. Marchino Consulting Director for Development <i>CARE, Inc.</i>
DUE: Position papers for Teams B4, B5, and B6; Short essay due by 6pm 3/11			

## Reading List

### Food for Thought

Hutchinson, J. Wesley (2003), "Are We the Good Guys?" ACR Conference Presidential Address  
 Hutchinson, J. Wesley (2003), "Selling War: Who's Buying It?" ACR Spring Newsletter  
 Hutchinson, J. Wesley (2003), "Summer Vacation Paradox," ACR Fall Newsletter

### Foundations

Gaski, John F. and Michael J. Etzel (2005), "National Aggregate Consumer Sentiment toward Marketing: A Thirty-Year Retrospective and Analysis," *Journal of Consumer Research*, 31(March), 859-867.  
 Wilkie, William L. and Elizabeth S. Moore (1999). "Marketing's Contributions to Society," *Journal of Marketing*, 63(Special Issue), 198-218.

### Measurement

Brouwer, Werner B.F. and Marc A. Koopmanschap (2000), "On the economic foundations of cost-effectiveness analysis (CEA). Ladies and gentlemen, take your positions!" *Journal of Health Economics*, 19, 439-459.

Center for Sustainable Innovation (2008), "The Social Footprint: Introduction and Proof of Concept," slide deck.

Diener, Ed, Richard E. Lucas, Christie Napa Scollon (2006), "Beyond the Hedonic Treadmill: Revising the Adaptation Theory of Well-Being," *American Psychologist*, 61(4), 305-314.

Hagerty et al. (2001), "Quality of Life Indices for National Policy: Review and Agenda for Research," *Social Indicators Research*, 55, 1-96.

### Health and Well-Being

Menon, G., P. Ragibur, N. Agrawal (2008), "Health Risk Perceptions and Consumer Psychology," in *Handbook of Consumer Psychology*, eds. Curtis P. Haugtvedt, Paul M. Herr, and Frank R. Kardes, New York: LEA/Psychology Press.

*Our Long-Term Perspective: Brown-Forman Corporate Responsibility Report* (2009)

### The Environment

Myers, Doug (2008), "100 Years of Electricity," working paper.

Auger et al (2008), "Do social product features have value to consumers," *International Journal of Research in Marketing*

### Culture

Lynton, Michael (2007), "Globalization and Cultural Diversity," *Wall Street Journal*, September 4, 20007.

Williams, J., W. N. Lee, & G. Henderson (2008), "Diversity Issues in Consumer Psychology," *Handbook of Consumer Psychology*, eds. Curtis P. Haugtvedt, Paul M. Herr, and Frank R. Kardes, New York: LEA/Psychology Press.

### Poverty and Economic Development

Prahalad (2005), "The Market at the Bottom of the Pyramid," "Products and Services for the Bottom of the Pyramid" ( ch. 1 & 2 from *The Fortune at the Bottom of the Pyramid*)

### Cases

Cafe de Columbia (case)

CARE USA (case)

Ecotourism [W - wikipedia]