MKTG 227-727: Digital Marketing and Electronic Commerce
Wharton | Philadelphia

Time	Tue/Thurs 1:30-2:50pm and 3:00-4:20pm
Instructor:	David R. Bell
TA:	TBA
Contact:	davidb@wharton.upenn.edu
Office Hours:	Tuesday and Thursday mornings and afternoons or by appointment
Prerequisites:	MKTG 611 and MKTG 612 or consent of instructor
Course site:	Canvas
Optional Book:	*Location is (Still) Everything: The Surprising Influence of the Real World on How We Search, Shop, and Sell in the Virtual One* (Boston, New York: New Harvest, Houghton Mifflin Harcourt, 2014)

DESCRIPTION

The effect of the Internet and related technologies on business and social institutions is more profound than that of any prior invention, including the printing press and the internal combustion engine. Furthermore, marketing is critical to the success of firms that will shape the consumption-led economies that are fueled by these technologies. MKTG 727 provides a research-based and framework-driven approach to succeeding in this environment, through a rigorous approach to understanding digital marketing and electronic commerce.

The course is organized into two sections and utilizes relevant theory, empirical analysis, and practical examples, to develop the key learning points. Guests from the entrepreneur and investor communities participate as well, as appropriate (details below). Part I presents the behavioral foundations for understanding commerce and emerging business models, and covers the relevant phenomena and theory from economics, marketing, and related fields. Part II focuses on the principles and mechanics of digital marketing tools and tactics, and also briefly covers social commerce and new media.

OBJECTIVE

We emphasize fundamental concepts over trends and fads and the main goal of the course is to help participants understand and critique customer behavior and businesses from several perspectives—as analysts, consumers, entrepreneurs, and investors. An ancillary goal is to establish the importance of theory and empirical analysis as key facilitators of this process.

VALUE PROPOSITION

Course participants will have a solid foundation from which to: (1) evaluate opportunities in the digital and e-commerce ecosystem, and (2) develop their own ventures.

ASSESSMENT

- Attendance and Participation: 20%
- Group Assignment, details TBA   30%
- Final Exam: 50%

SCHEDULE

Session	Month	Date	Topic	Notes
1	Oct	Tue 25	Introduction to "Digital Marketing, Social Media, and e-Commerce"	
2	Oct	Thu 27	Marketing Assets in the Digital Economy	
3	Nov	Tue 01	Internet GRAVITY and Frictionless Commerce	
4		Thu 03	New Case: "Warby Parker" (Digitally Native Vertical Brands / Margin Disruption)	
5		Tue 08	Offline-Offline Substitution	
6		Thu 10	The Long Tail	
7		Tue 15	**Guest: Jen Rubio, Founder [Away](#)**	A1 Due
8		Thu 17	Networks and Neighborhoods	
9		Tue 22	Reputation and Reviews	
Thanksgiving Break				
10	Nov	Tue 29	Online Advertising and Mobile	
11	Deb	Thu 01	Earned and Social Media, Social Advertising	
12		Tue 06	Diffusion Over Networks: Viral Features of Products	
13		Thu 08	New Media, Content Creation, and Crowdsourcing	

VIRTUAL GUESTS (Available via Spike for the Group Assignment)

- **Kirsten Green**. Kirsten is the Founder of [Forerunner Ventures](#), a premier brand-building commerce VC based in San Francisco. Kirsten and her team have a unique investment thesis, "who's who" portfolio, some high profile recent exits ([Dollar Shave Club](#) ($1b); [Jet](#) ($3b)).

- **Aileen Lee**. Aileen is Founder Partner at [Cowboy Ventures](#), an early stage venture fund, and formerly a partner at [Kleiner Perkins Caufield Bowers](#). A successful investor and operator, Aileen also introduced the "unicorn" idea into the vernacular with her influential article [Welcome to the Unicorn Club](#).

VIRTUAL GUESTS (Available via Spike for viewing only, no assignment)

- **Philip Winter**. Philip graduated from Penn in 2012 and founded Nebia. The first product is a shower that uses 70% less water than conventional showers. Notable investors include Tim Cook and Eric Schmidt.

- **Rob Coneybeer**. Rob is a Wharton graduate and partner at Shasta Ventures where he focuses on mobile and connected hardware.

LIVE GUEST

- **Jen Rubio**. Jen is the co-founder of Away, a premium travel brand designed to create special objects that are at home on the road—that carry you forwards, making your trip easier, and in a way, your life better. Before starting Away, Jen acted as the Head of Social Media at Warby Parker, spearheading content and partnership efforts in the brand's early years, and later worked as the Global Head of Innovation at AllSaints. Jen's passions lie in the intersection of commerce and emerging technology, creating meaningful, integrated experiences between people and brands. In 2015, she was named to the Forbes 30 Under 30 list for Marketing & Advertising. She lives and works in New York.

CASES AND ACADEMIC (REFERENCE) READINGS (On Study.Net)

Case
1. "Warby Parker: Vision of a 'Good' Fashion Brand" (HBS Case 9-413-051, Revised, September 19, 2012).

Academic Readings
1. Bell, D., J. Choi, and L. Lodish (2012), "What Matters Most in Internet Retailing" *Sloan Management Review.*
2. Bell, D., S. Gallino, and A. Moreno (2014), "How to Win in an Omni Channel World" *Sloan Management Review.*
3. Blum, B. and A. Goldfarb (2006), "Does the Internet Defy the Law of Gravity?" *Journal of International Economics.*
4. Choi, J. and D. Bell (2011), "Preference Minorities and the Internet," *Journal of Marketing Research.*
5. Bell, D. and S. Song (2007), "Neighborhood Effects and Trial on the Internet: Evidence from Online Grocery Retailing," *Quantitative Marketing and Economics.*
6. Trusov, M., A Bodapati, and R. Bucklin (2010), "Determining Influential Users in Internet Social Networks," *Journal of Marketing Research.*
7. Dellarocas, C. (2010), "Online Reputation Systems: How to Design One That Does What You Need," *Sloan Management Review.*

8. D. Mayzlin, Y. Dover, and J. Chevalier (2014), "Promotional Reviews: An Empirical Investigation of Online Review Manipulation," *American Economic Review.*
9. Goldfarb, A. and C. Tucker (2011), "Online Display Advertising: Targeting and Obtrusiveness," *Marketing Science*.
10. Goldfarb, A. and C. Tucker (2011), "Search Engine Advertising: Channel Substitution When Pricing Ads to Context," *Management Science*.
11. Choi, J., D. Bell, and L. Lodish (2012), "Marketing and IS-Enabled Customer Acquisition on the Internet," *Management Science*.
12. Rutz, O. and R. Bucklin (2010), "From Generic to Branded: A Model of Spillover in Paid Search Advertising," *Journal of Marketing Research*.
13. B. Skiera, N. Nabout (2012), "PROSAD: A Bidding Decision Support Engine for Profit Optimizing Search Engine Advertising," *Marketing Science.*
14. McKinsey and Co. (2012), "Turning Buzz into Gold."
15. Nunes, J. and X. Dreze (2006), "Your Loyalty Program is Betraying You," *Harvard Business Review*.
16. Holt, D. (2016), "Branding in the Age of Social Media," *Harvard Business Review*.
17. Kumar, V. and R. Michandanl (2012), "Increasing the ROI of Social Media Marketing," *Sloan Management Review.*
18. Zalmanson, L. and G. Oestreicher-Singer (2016), "Turning Content Viewers into Subscribers," *Sloan Management Review.*