MKTG 270 / 770: Digital Marketing, Social Media, and e-Commerce
Fall 2016 Wharton | Philadelphia

Time	Tue/Thurs 10:30-11:50am
Instructor	David R. Bell (davidb@wharton.upenn.edu) 755 JMHH
TA	TBA
Office Hours	Tuesday and Thursday afternoons or by appointment
Prerequisites	MKTG 611 or equivalent (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) http://amzn.to/1aIO8vc

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 270/770 provides a research-based and framework-driven approach to succeeding in this environment, through a rigorous approach to understanding digital marketing, social media, and electronic commerce.

The course is organized in three 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. 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. Part III develops concepts and tools for content creation, social commerce, and new media. Throughout the course we survey, critique, and evaluate the key ideas in digital marketing, social media, and e-Commerce.

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

Upon completion of the course, participants will have a solid foundation from which to evaluate opportunities in the digital economy, and to participate in their own ventures.

SPECIFIC LEARNING OUTCOMES

MKTG 270/770 will improve your familiarity with the following subjects:

- **Behavioral Foundations of e-Commerce**
  You will understand key concepts and principles including virtual world GRAVITY, market frictions, the Long Tail, neighborhood effects, and online-offline synergy.

- **Digital Marketing Tools and Tactics**
  You will get to know the pros and cons of how the main digital marketing tools work, how to deploy them, and how to acquire customers and generate content that matters.

- **Social Media**
  You will be proficient in the "social" aspect of commerce, including social advertising, social targeting, and to imbue products with viral features.

ASSESSMENT

- Attendance and Participation: 15%
- Conceptual Assignment (A1):   25%
- Analytical Assignment (A2):   10%
- Final Exam: 25%
- Final Project (A3):   25%

More details on the nature of the assignments and other administrative issues will be provided on the first day of class.

DETAILED SCHEDULE*

Session	Month	Date	Topic	Notes
1	Aug	Tue 30	Introduction to "Digital Marketing, Social Media, and e-Commerce"	
2	Sep	Thu 01	Marketing Assets in the Digital Economy	
3		Tue 06	Internet GRAVITY and Frictionless Commerce	
4		Thu 08	Classic Case: "Webvan" (Internet Economics)	
5		Tue 13	New Case: "Warby Parker" (Digitally Native Vertical Brands / Margin Disruption)	
6		Thu 15	Offline-Offline Substitution	
7		Tue 20	The Long Tail	
8		Thu 22	Platforms and Aggregation	
9		Tue 27	Networks and Neighborhoods	
10		Thu 29	**Work on A1: Watch investors Aileen Lee and Kirsten Green on the videos available on Spike (details TBA)**	
11	Oct	Tue 04	Reputation and Reviews	
Fall Break				
12		Tue 11	**Guests: Brooke Harley and Manica Gautam, Partners Campfire Capital**	A1 Due
13		Thu 13	**Guest: Tom Patterson Founder and CEO Tommy John**	
14		Tue 18	Digital Marketing Tools and Tactics	
15		Thu 20	Online Advertising	
16		Tue 25	**Guests: Mitchell Green and Nimay Mehta, Partners Lead Edge Capital**	
17		Thu 27	Marketing Optimization: Optimal Bidding on Keywords	
18	Nov	Tue 01	Mobile Marketing and Wearables: Time, Location, Context	
19		Thu 03	Earned and Social Media, Social Advertising	
20		Tue 08	Social Advertising and Social Commerce	
21		Thu 10	Diffusion Over Networks: Viral Features of Products	
22		Tue 15	**Guest: Jen Rubio, Founder Away**	A2 Due
23		Thu 17	Diffusion Over Networks: Structure, Patterns and Degrees	
24		Tue 22	Social Targeting	
Thanksgiving Break				
25		Tue 29	Communication Persuasiveness and Social Platforms	
26	Dec	Thu 01	Social Media ROI	
27		Tue 06	New Media, Content Creation, and Crowdsourcing	
28		Thu 08	Key Learning Points and Course Summary	A3 Due

* Dates could occasionally will change due to guest schedules—I will update the syllabus immediately if and when changes occur

GUESTS

Our guests are an integral part of course and provide tremendous value-add as friends and colleagues who are really executing exciting ideas and business practices. Please come to the sessions fully prepared to engage in a thoughtful dialog with our guests.

- **Brooke Harley and Manica Gautam**. Brooke and Manica are both Partners at [Campfire Capital](#), a Vancouver-based venture fund dedicated to digital-first omni-channel brands. Previously they were at lululemon and Onex, respectively.

- **Tom Patterson**. Tom is the founder and CEO of [Tommy John](#), an offline-first and now fully omni-channel brand of men's underwear and accessories based in New York City.

- **Mitchell Green and Nimay Mehta**. Mitchell and Nimay are both Partners at [Lead Edge Capital](#), a growth equity fund based in New York City.

- **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.

VIRTUAL GUESTS (available via Spike for Assignment A1)*

- **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](#).

* Additional video of Eurie Kim (Partner at Forerunner) and Aileen should be available in late fall, subsequent to their guess sessions in the Wharton | San Francisco class.

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

Cases
1. "Webvan: Groceries on the Internet" (HBS Case 500052-HCB-ENG, Revised March 25, 2003).
2. "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.*