MKTG 727-227 401-403 (Spring 2018): Digital Marketing and Electronic Commerce
Wharton | Philadelphia

For 727-227-401
Time   Wednesday 3-6
Room   JMHH 240
Dates   Wednesday, 1/17 (Session 1) through Wednesday, 2/28 (Session 7)

For 727-227-403
Time   Thursday 3-6
Room   JMHH 255
Dates   Thursday, 1/18 (Session 1) through Thursday, 3/1 (Session 7)

Instructor: Dan Goldstein www.dangoldstein.com
TAs: TBA
Contact: dggoldst@wharton.upenn.edu
Office Hours: Wednesday mornings by appointment
Prerequisites: MKTG 611 and MKTG 612 or consent of instructor
Course site: Canvas

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. This course 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. Guest speakers will participate as well, as appropriate (details below).

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%
- Assignment, details TBA   30%
- Final Exam   50%

SCHEDULE

Session	Month	Date	Topic	Notes
1	Jan	17 or 18	Introduction. Display advertising.	
2	Jan	24 or 25	**Guest: Matt Jones of Google.** Search advertising	
3	Jan or Feb	31 or 1	Warby – Parker case. Online-Offline Substitution	
4	Feb	7 or 8	Reputation and reviews	
5	Feb	14 or 15	Location and mobile	Assignment Due
6	Feb	21 or 22	Social media branding. Influencer marketing	
7	Feb or March	28 or 1	Social targeting. Virality.	

VIRTUAL GUESTS (Available via Spike for the 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)).

- **Eurie Kim**. Eurie is a graduate of the Wharton School (WG '09) and partner at [Forerunner Ventures](#) (see above) and spoke to our class in San Francisco on 11/02/2016.

- **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 Canvas for viewing only, no assignment)

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

- **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.

- **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.

IN CLASS GUESTS

- **Matt Jones** Matt Head of Analytics & Measurement – Travel at [Google](#), an up-and-coming search engine.

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

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

Academic Readings
- Bell, D., J. Choi, and L. Lodish (2012), "What Matters Most in Internet Retailing" *Sloan Management Review.*
- Bell, D., S. Gallino, and A. Moreno (2014), "How to Win in an Omni Channel World" *Sloan Management Review.*
- Bell, D., S. Gallino, and A. Moreno (2017), "Revenge of the Store," Sloan Management Review.
- Choi, J. and D. Bell (2011), "Preference Minorities and the Internet," *Journal of Marketing Research*.
- Dellarocas, C. (2010), "Online Reputation Systems: How to Design One That Does What You Need," *Sloan Management Review*.
- Mayzlin, D., Dover, Y. and Chevalier, J. (2014), "Promotional Reviews: An Empirical Investigation of Online Review Manipulation," *American Economic Review.*
- Fang, Z., X. Luo, and M. Keith (2014), "How Effective is Location-Targeted Mobile Advertising," *Sloan Management Review*.
- Goel, S., Anderson, A., Hofman, J., & Watts, D. J. (2015). The structural virality of online diffusion. *Management Science*, *62*(1), 180-196.
- Goel, S., & Goldstein, D. G. (2013). Predicting individual behavior with social networks. Marketing Science, 33(1), 82-93.
- Goel, S., Watts, D. J. & Goldstein, D. G. (2012). The structure of online diffusion networks. *Proceedings of the 13th ACM Conference on Electronic Commerce (EC'12)*, 622-638.
- Goldfarb, A. and C. Tucker (2011), "Online Display Advertising: Targeting and Obtrusiveness," *Marketing Science*.
- Goldstein, D. G., McAfee, R. P., & Suri, S. (2015). Improving the effectiveness of time-based display advertising. ACM Transactions on Economics and Computation, 3(2), 7.
- Goldstein, D. G., Suri, S., McAfee, R. P., Ekstrand-Abueg, M., & Diaz, F. (2014). The economic and cognitive costs of annoying display advertisements. Journal of Marketing Research, 51(6), 742-752.

- B. Skiera, N. Nabout (2012), "PROSAD: A Bidding Decision Support Engine for Profit Optimizing Search Engine Advertising," *Marketing Science.*
- Holt, D. (2016), "Branding in the Age of Social Media," *Harvard Business Review*.
- Kumar, V. and R. Michandanl (2012), "Increasing the ROI of Social Media Marketing," *Sloan Management Review*

DETAILED READING SCHEDULE*

<u>Session 1 (Jan 17 or 18)</u>
<u>Introduction</u>
<u>Display Advertising</u>
- Skim: Goldstein, D. G., Suri, S., McAfee, R. P., Ekstrand-Abueg, M., & Diaz, F. (2014). The economic and cognitive costs of annoying display advertisements. Journal of Marketing Research, 51(6), 742-752.
- Skim: Goldfarb, A. and C. Tucker (2011), "Online Display Advertising: Targeting and Obtrusiveness," *Marketing Science.*
- Skim: Goldstein, D. G., McAfee, R. P., & Suri, S. (2015). Improving the effectiveness of time-based display advertising. ACM Transactions on Economics and Computation, 3(2), 7.

<u>"Unicorns"</u>
- Read Aileen Lee's original TechCrunch article "Welcome to the Unicorn Club," and begin watching Aileen, Eurie, and Kirsten on Spike.

<u>Session 2 (Jan 24/25)</u>
Google guest speaker
<u>Lead generation, performance and attribution</u>
<u>Marketing Optimization: Optimal Bidding on Keywords</u>
- Skim B. Skiera, N. Nabout (2012), "PROSAD: A Bidding Decision Support Engine for Profit Optimizing Search Engine Advertising," *Marketing Science.*

<u>Session 3 (Jan 31 or Feb 1)</u>
<u>Warby Parker case</u>
- Read "Warby Parker: Vision of a 'Good' Fashion Brand," HBS Case 9-413-051, Revised, September 19, 2012.
- Read Bell, D., S. Gallino, and A. Moreno (2014), "How to Win in an Omni Channel World" *Sloan Management Review.*
- Skim Bell, D., S. Gallino, and A. Moreno (2017), "Revenge of the Store," Sloan Management Review.

<u>Online-Offline Substitution</u>
- Read Bell, D., J. Choi, and L. Lodish (2012), "What Matters Most in Internet Retailing," *Sloan Management Review.*
- Skim Choi, J. and D. Bell (2011), "Preference Minorities and the Internet," *Journal of Marketing Research*.

<u>Session 4 (Feb 7 or 8)</u>

Reputation and Reviews
- Read Dellarocas, C. (2010), "Online Reputation Systems: How to Design One That Does What You Need," *Sloan Management Review*.
- Skim D. Mayzlin, Y. Dover, and J. Chevalier (2014), "Promotional Reviews: An Empirical Investigation of Online Review Manipulation," *American Economic Review.*

Session 5 (Feb 14 or 15) <mark>Assignment Due</mark>
Mobile
- Read Fang, Z., X. Luo, and M. Keith (2014), "How Effective is Location-Targeted Mobile Advertising," *Sloan Management Review*.

Session 6 (Feb 21 or 22)
Social Media
- Read Holt, D. (2016), "Branding in the Age of Social Media," *Harvard Business Review*.
- Skim Kumar, V. and R. Michandanl (2012), "Increasing the ROI of Social Media Marketing," *Sloan Management Review.*

Sponsored content & influencer Marketing
- Skim / Read according to your interest, articles on Influencer Marketing and familiarize yourself with **Reelio**

Session 7 (Feb 28 and Mar 1)
Social Targeting
- Skim: Goel, S., & Goldstein, D. G. (2013). Predicting individual behavior with social networks. Marketing Science, 33(1), 82-93.

Targeting and Diffusion with Social Networks
- Read: Goel, Sharad, Duncan J. Watts, & Daniel G. Goldstein (2012). The structure of online diffusion networks. Proceedings of the 13th ACM Conference on Electronic Commerce (EC'12), 622-638.
- Skim: Goel, S., Anderson, A., Hofman, J., & Watts, D. J. (2015). The structural virality of online diffusion. Management Science, 62(1), 180-196.

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