

## MKTG 747/ MKTG 247 - Marketing Strategy for Technology Platforms

(All Sections -Spring 2022)

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### Dr. Pinar Yildirim

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@Prof\_Yildirim

### Office hours:

By appointment

### Class meetings:

#### JMHH 355 [IN PERSON]

MKTG MKTG747402 and 247402: M/W 1:45 pm - 3:15 pm

MKTG MKTG747404 and 247404: M/W 3:30 pm – 5:00 pm

MKTG MKTG747406 and 247406: M/W 10:15 am - 11:45 am

MKTG MKTG747408 and 247408: M/W 12:00 pm - 1:30 pm

### Teaching Assistant:

Maham Ejaz [mejaz@wharton.upenn.edu](mailto:mejaz@wharton.upenn.edu)

## Overview

**What is this course about?** This course focuses on the unique aspects of creating effective marketing and management strategies for technology-intensive online and offline businesses. We will discuss the effective competitive marketing strategies for winning in markets which are powered by technology. Specifically, we will discuss how firms create value for customers and how they can integrate technology in delivering a better consumer experience.

**What can I expect to learn?** The course provides a series of useful concepts and frameworks which students can directly apply to strategic marketing problems they will encounter post-graduation. Throughout the course, there will be an emphasis on going from concepts and market analysis all the way to the formulation of concrete strategies and applications from recent research.

**What industries will be covered?** Matching markets, sharing platforms, online retail and e-commerce, advertising, financial technology, social networks, entertainment media and online content providers, and virtual currencies.

**What do I need to do?** The course relies on case discussions, industry facts and independent reading. The readings are primarily drawn from the marketing and economics literature. The case studies provide extensive opportunities to integrate and apply these abstract tools in practical, competitive marketing strategy contexts. Course outcome is determined by active class participation and case write ups (See “Grading” for details.)

**Who is this course designed for?** While competitive marketing strategy is important for all managers, it will be particularly useful to students who are planning to accept a position in leading technology companies, and marketing firms in which technology is likely to play an important role. In addition, the course will provide value to those who expect to work in consulting or investing in technology industries and must analyze firm strategies. But it may also be valuable for students who do not necessarily plan to pursue a career related to technology or even marketing.

## Assignments and Grading

You should come to each class ready to discuss the required reading and preparation questions related to the sessions listed in the agenda.

Course grading will depend on the following:

- ✓ Case analysis (22 x 4 = 88%)
- ✓ Participation (12%)

### Case Analysis (4 cases x 22% = 88%)

For four cases indicated on the syllabus, there will be a number of questions of analysis in an assignment. You can find these questions on Canvas. Students are expected to provide informed answers to cases. Detailed analyses will be graded based on the quality of the content.

- ✓ The write-ups should not exceed 4 pages (2000 words max), including up to two exhibits.
- ✓ Assignments will be posted on Canvas at least a week in advance.
- ✓ All your responses must be **uploaded by the posted deadline for your section on Canvas.**

The cases will be graded on the following criteria:

- ✓ Rigor and logic: are the case facts clearly understood?
- ✓ If there is a recommendation on an action, does the action make sense given the facts?
- ✓ Explicit use of course concepts: Mastery and application of course concepts
- ✓ Quality and depth of analysis

### Participation: Contribution to Class Discussion (12%)

Everyone in the class has some valuable idea to contribute. I encourage you to openly share ideas and ask questions. Every session will involve interaction in the form of in-class discussion about the topic covered that week. I expect each class member to be prepared at all times to comment in any class session.

**You are allowed to miss one class without an excuse.** If you must miss more than one class, you must inform the TA of your planned absence. Regular absence is a reason to receive a failing grade.

**12% of your grade** will be assessed as a combination of the following factors:

- ✓ Regular class attendance
- ✓ Class preparation: engagement in class discussions
- ✓ Engagement in guest lectures
- ✓ Your peer's appreciation of your contribution

## Classroom Etiquette

To make our classroom discussions useful, please follow the following rules:

- ✓ Join the class on time and sit at your assigned seat location.
- ✓ Observe all up-to-date Penn rules regarding covid (masking, eating/drinking restrictions, vaccination).
- ✓ Electronic devices are only allowed for note taking. You must not use them for any other purposes.
- ✓ We will take pauses for questions during in-class discussions. But class is meant to be interactive & I welcome questions, comments, and discussions, so feel free to raise your hand at any time.

## Zoom Etiquette [Some Guest Lectures]

Some guest lectures will be held on Zoom. Additionally, in case of instructor illness or at change in university policies, we will be ready to move classes online. To make our virtual discussions as close to our usual in-class interactions as possible, you can contribute to the quality of each session in the following way:

- ✓ Keep your camera on – it is great to see you in person.
- ✓ Join the class on time.
- ✓ Mute your microphone when you are not talking.
- ✓ We will take pauses for questions and online discussions. If you have questions that can wait, you can post them in the chat window or wait for me to pause for questions. If you need immediate clarification, you can also unmute and ask. Class is meant to be interactive & I welcome questions, comments, and discussions.
- ✓ There will be (occasionally) Zoom breakout rooms used for in-class discussions. You will be allowed to assign yourself to a room.

## Canvas Class Materials & Readings

Class recordings, slides, links to points of interest, required readings, assignments, announcements and critical course information can be accessed online on Canvas. Some materials in the course will be recommended, but not required. Please check Canvas often.

- ✓ All required reading materials are available through Study.net (linked to Canvas). There is brief version with only required readings (labeled “247 Short Pack”) and an expanded version with some additional recommended readings (“747 Long Pack”). You can choose to buy either.
- ✓ Some optional readings will be linked from Canvas under the folder “Optional Readings.”

## Student-Faculty Engagement

I will post several online meetup sessions to have a virtual, informal get-together, in groups of at least 6 students. I may ask another tech or marketing executive to join our conversation to make the discussion more interesting. There will be sign up dates available on Canvas -- this is entirely optional.

## Administrative Policies

- Students who violate on academic honesty rules are subject to disciplinary penalties as determined by university policies. Since dishonesty harms the individual, fellow students and the integrity of the university, policies on academic dishonesty will be strictly enforced.
- If you have a disability for which you are or may be requesting an accommodation, you are encouraged to contact the Student Disability Services of Penn as early as possible in the term. SDS will verify your disability and determine reasonable accommodations for this course.

**MKTG 247/747 -- 10:15am and 12:00pm sessions [406 & 408]**

No	Day	Date	Topic
1	M	March 14	<p>Welcome and Course Introduction</p> <ul style="list-style-type: none"> <li>- What are market frictions?</li> <li>- What are market failures and opportunities?</li> </ul> <p>Multisided platforms:</p> <ul style="list-style-type: none"> <li>- What makes matchmakers and disruptors work?</li> <li>- Governing principles</li> </ul> <p>Recommended Reading:</p> <p>Hagiu, Andrei. "Strategic decisions for multisided platforms." MIT Sloan Management Review 55.2 (2014): 71.</p> <p>Preparation questions:</p> <ul style="list-style-type: none"> <li>- What are the new business models in the market?</li> <li>- Why are some firms successful and why do others fail?</li> <li>- If you could build a company today to address a market friction, what would it be?</li> </ul>
2	W	March 16	<p>Sharing Economy: Economic Principles, Current Issues</p> <ul style="list-style-type: none"> <li>- Network effects, market tipping, winner take all markets</li> <li>- Competition &amp; issues in sharing economy</li> <li>- Suitability for sharing economy</li> </ul> <p>Required Reading</p> <p>Case Study: Uber: Competing Globally</p> <p>Preparation questions:</p> <ul style="list-style-type: none"> <li>- What type of products are suitable for sharing economy?</li> <li>- What market characteristics support a Winner-take-all (WTA) platform?</li> </ul>
3	M	March 21	<p>Economics of Online Social Networks</p> <ul style="list-style-type: none"> <li>- Strategies for online social networks</li> <li>- How do traditional firms compete using social networks?</li> <li>- Effectively using social network data</li> </ul> <p>Required Reading</p> <p>Case Study: LinkedIn (A) [Case Analysis 1, due by Friday March 25th, 5pm]</p> <p>Preparation Questions</p> <ul style="list-style-type: none"> <li>- How do social networks make money?</li> <li>- What value does integrating Facebook/LinkedIn/Twitter provide for other firms?</li> <li>- How can you reduce Facebook's near monopoly success?</li> </ul>
4	W	March 23	<p>Economics of Trust and Reputation</p> <ul style="list-style-type: none"> <li>- Management of ratings, reviews, reputation</li> <li>- Integration of social networks for trust</li> <li>- Disintermediation</li> </ul> <p>Required Reading</p> <p>Case Study: Airbnb (A)</p> <p>Preparation Questions:</p> <ul style="list-style-type: none"> <li>- How can platforms resolve issues of credibility and gather useful information from consumers?</li> <li>- How can platforms overcome the issue of trust?</li> <li>- How can platforms reduce disintermediation?</li> </ul>

5	M	March 28	<p><b>Competitive Strategy in Online Platforms</b></p> <ul style="list-style-type: none"> <li>- Club economics</li> <li>- Competing through governance</li> </ul> <p><b>Required Reading:</b></p> <p>Case Study: eHarmony [Case Analysis 2, due by Friday April 1<sup>st</sup>, 5pm]</p> <p><b>Recommended Reading:</b></p> <p>Halaburda, Hanna, Mikolaj Jan Piskorski, and Pinar Yildirim. "Competing by restricting choice: the case of search platforms." (2018) Management Science.</p> <p><b>Preparation Questions:</b></p> <ul style="list-style-type: none"> <li>- What are the products that consumers are willing to pay more to be with others "more like them"?</li> <li>- Why are there so many online dating platforms?</li> <li>- What factors allows online platforms to profitably co-exist without taking over each other's territory?</li> </ul>
6	W	March 30	<p><b>Tech Executive Sessions</b></p> <p><b>Amit Gandhi, Vice President and Technical Fellow at Airbnb, Formerly Chief Economist at Microsoft – IN PERSON</b></p> <p>Topics: Sharing Economy, pricing, experiments</p>
7	M	April 4	<p><b>Competing via Bundling/ Unbundling</b></p> <ul style="list-style-type: none"> <li>- State of the Media and Entertainment Industry</li> <li>- Competition in Entertainment and Online Media</li> </ul> <p><b>Required Reading:</b></p> <p>Case Study: Spotify [Case Analysis 3, due by Friday April 8th, 5pm]</p> <p>Case Study: Comcast Corporation</p> <p><b>Recommended Reading:</b></p> <p>How to Succeed in Business by Bundling – and Unbundling</p> <p><b>Preparation Questions:</b></p> <ul style="list-style-type: none"> <li>- What are the revenue models for online streaming platforms? What are the benefits and costs of these streaming revenue sources?</li> <li>- How should streaming platforms set subscription prices?</li> <li>- What factors triggered the great unbundling in music and content streaming services?</li> </ul>
8	W	April 6	<p><b>Tech Executive Sessions</b></p> <p><b>Dominic Gallelo, Chief Marketing Officer, Bumble (UK) – Via ZOOM (We will be together in class)</b></p> <p>Topic: Online dating markets, starting organizations</p>
9	M	April 11	<p><b>Payment Platforms, FinTech</b></p> <ul style="list-style-type: none"> <li>- How do payment platforms work?</li> <li>- What are digital currencies?</li> <li>- Competition in the cryptocurrency market</li> </ul> <p><b>Required Reading:</b></p> <p>Case Study: Bitcoin [Case Analysis 4, due by Friday April 15th, 5pm]</p> <p><b>Recommended Reading:</b></p> <p>Frick, W. "Why Your Business Might One Day Accept Bitcoin (or Something Like It)," Harvard Business Review</p>

			Preparation Questions - What market failures do cryptocurrencies address? - In what ways bitcoin resemble an MSP?
10	W	April 13	<b>Tech Executive Sessions</b>  <b>Peter Liguori, Former CEO, Tribune Media, Former CEO FX Networks – IN PERSON</b>  Topic: Entertainment Media Markets, Management & Leadership
11	M	April 18	<b>Future of Work/Big Data/AI</b> - How does automation and AI influence firm competition - What are digital currencies? - Competition in the cryptocurrency market  <b>Required Reading:</b> Case: Meta: Facebook's Pivot to the Metaverse. A Dystopia or Blue Ocean Utopia?  <b>Recommended Reading:</b> Case: Modern Automation  Preparation Questions - What will the future of work look like? - How will automation and AI change platforms and management?
12	W	April 20	<b>Last day of class</b>  - Class summary & takeaways - How to transform traditional businesses into a platform - New Trends in Technology Platforms  Preparation Questions - What are the new trends in technology? - How can a traditional business be transformed into an MSP?

**MKTG 247/747 -- 1:45pm and 3:30pm sessions [402 & 404]**

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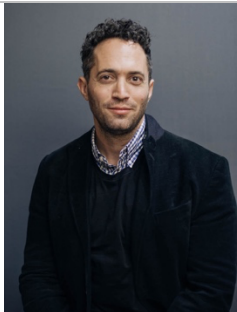
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9	M	April 11	<p><b>Tech Executive Sessions</b></p> <p><b>Matt Hom, Marketplace Economist, Spotify – IN CLASS</b></p> <p>Topic: Music Streaming Markets &amp; pricing of consumers</p>
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## TECH EXECUTIVE SESSIONS

For several lectures, we will have distinguished speakers from various technology related firms. Speakers and their attendance days/times are determined by the availability of the speakers (and may change if their schedule changes last minute). Some sessions will follow a guided Q&A format, where I will pose the speaker questions and we will open the floor to student-speaker interaction, and other sessions will be a regular guest lecture.

All students are welcome to attend any session- regardless of their registered section.

10:15am and 12:00pm sessions (in order or appearance):	
<p><b>Amit Gandhi, Vice President and Technical Fellow at Airbnb, Formerly Chief Economist at Microsoft</b></p> <p><b>(March 30th, 10:15am &amp; 12:00pm sessions, In-person, Lecture)</b></p> <p>Amit Gandhi, PhD, oversees the economic decisions at Airbnb, including pricing, platform and product design. He was formerly the Chief Economist at Microsoft and also Professor of Economics at Penn. Amit holds an MBA and a PhD from the University of Chicago.</p>	
<p><b>Dominic Gallelo, CMO, Bumble (UK)</b></p> <p><b>(April 6th, 10:15am &amp; 12:00pm sessions, Zoom, Lecture)</b></p> <p>Dominic is the Chief Marketing Officer of Bumble UK, as well as the former Chief Marketing Officer of Badoo. Previously to these titles, he held various positions at Spotify and Airtime. Dominic holds an MBA from INSEAD and a BA from Waseda University.</p>	
<p><b>Peter Liguori, Former CEO and President at Tribune Media Company, Former CEO of FX Networks</b></p> <p><b>(April 13, 10:15am &amp; 12:00pm sessions, In-person, Lecture)</b></p> <p>Peter held various high-level positions in various media companies, including COO and Senior Executive Vice President of Discovery Communications and News Corp.'s Fox division and President and CEO of FX Networks.</p>	
1:45pm and 3:30pm sections (in order or appearance):	
<p><b>Gilad Lotan, VP, Head of Data Science and Analytics at BuzzFeed</b></p> <p><b>(March 28th, 1:45pm &amp; 3:30pm Sessions, Virtual, Lecture)</b></p> <p>Gilad is the Head of Data Science at BuzzFeed where he leads a team that's tasked with building state of the art analytics, insights, and data products to support entertainment, news, business and tech. Previously Gilad led Data Science at betaworks and built data products and Microsoft. Gilad's work has been covered across a wide range of academic journals and publications, most recently focused on propaganda and bias within algorithmic ranking systems.</p>	

**Shar Dubey, CEO, Match Group**

(April 4, 1:45pm & 3:30pm Sessions, Virtual, Guided Q&A)

Sharmistha Dubey currently serves as the CEO of Match Group, overseeing growth for the portfolio of brands including Tinder, Match, Meetic, OkCupid, Hinge, Pairs, Plenty of Fish, and OurTime. Prior to her current role, she served as Match Group's President, overseeing all strategy, research & development, and innovations across the portfolio. She also served as COO of Tinder, where she led the team that launched Tinder Gold, a subscription product that has established Tinder as the highest-grossing non-gaming app globally.

**Matthew Hom, Marketplace Economist, Spotify**

(April 11, 1:45pm & 3:30pm Sessions, In-person (subject to change), Lecture)

Matthew is a marketplace economist and works on identifying listener's content substitution patterns at Spotify and designs and implements econometric models of listener demand at scale. He was formerly at Charles River Associates. Matt holds PhD, MA degrees from Yale and is an Arizonan native.



## Additional Reading Materials (Optional)

### On Multi-sided Platforms and Matching Markets

1. Hagiu, Andrei, and Julian Wright. "Multi-sided platforms." *International Journal of Industrial Organization* 43 (2015): 162-174.
2. Hagiu, Andrei; Altman, Elizabeth J. (2017) "Finding the Platform in Your Product," *Harvard Business Review*

### On Recommendation Systems

3. Farronato, Chiara, and Andrey Fradkin. The welfare effects of peer entry in the accommodation market: The case of Airbnb. No. w24361. National Bureau of Economic Research, 2018.
4. Barron, Kyle, Edward Kung, and Davide Proserpio. "When Airbnb listings in a city increase, so do rent prices." *Harvard Business Review* (2019).

### On Sharing Economy

5. Sundararajan Arun "From Zipcar to the sharing economy." *Harvard Business Review*. 2013 Jan 3;1.
6. Sundararajan, Arun "Peer-to-peer businesses and the sharing (collaborative) economy: Overview, economic effects and regulatory issues." Written testimony for the hearing titled *The Power of Connection: Peer to Peer Businesses* (2014).

### Using Data & Analytics

7. Bakshy, Eytan, Dean Eckles, and Michael S. Bernstein. "Designing and deploying online field experiments." *Proceedings of the 23rd international conference on World wide web*. ACM, 2014.

## Recommended Videos (Optional)

1. Creating a Two-sided Network – Open Table Founder Chuck Templeton

<https://1871.com/video-open-table-founder-chuck-templeton-at-chicago-founders-stories-1871/>

# How to Analyze a Case Study

A case study helps students learn by immersing them in a real-world business scenario where they can act as problem-solvers and decision-makers. The case presents facts about a particular organization. Students are asked to analyze the case by focusing on the most important facts and using this information to determine the opportunities and problems facing that organization. Students are then asked to identify alternative courses of action to deal with the problems they identify.

A case study analysis must not merely summarize the case. It should identify key issues and problems, outline and assess alternative courses of action, and draw appropriate conclusions. The case study analysis can be broken down into the following steps:

**Identify the most important facts.** Read the case several times to become familiar with the information it contains. Pay attention to the information in any accompanying exhibits, tables, or figures. Many case scenarios, as in real life, present a great deal of detailed information. Some of these facts are more relevant than others for problem identification. One can assume the facts and figures in the case are true, but statements, judgments, or decisions made by individuals should be questioned. If key facts and numbers are not available, you can make assumptions, but these assumptions should be reasonable given the situation.

**Identify the key issues.** Use the facts provided by the case to identify the key issue or issues facing the company. Many cases present multiple issues or problems. Identify the most important and separate them from more trivial issues. State the major problem or challenge facing the company. You should be able to describe the problem or challenge in one or two sentences. You should be able to explain how this problem affects the strategy or performance of the organization.

You will need to explain why the problem occurred. Does the problem or challenge facing the company come from a changing environment, new opportunities, a declining market share, or inefficient internal or external business processes?

**Specify alternative courses of action.** List the courses of action the company can take to solve its problem or meet the challenge it faces. Remember, there is a difference between what an organization "should do" and what that organization actually "can do". Some solutions are too expensive or operationally difficult to implement, and you should avoid solutions that are beyond the organization's resources. Identify the constraints that will limit the solutions available. Is each alternative executable given these constraints?

**Evaluate each course of action.** Evaluate each alternative using the facts and issues you identified earlier and given the conditions and information available. Identify the costs and benefits of each alternative. Ask yourself "what would be the likely outcome of this course of action? State the risks as well as the rewards associated with each course of action. Is your recommendation feasible from a technical, operational, and financial standpoint? Be sure to state any assumptions on which you have based your decision.

**Make a decision.** State your choice for the best course of action and provide a detailed explanation of why you made this selection. You may also want to provide an explanation of why other alternatives were not selected. Your final recommendation should flow logically from the rest of your case analysis and should clearly specify what assumptions were used to shape your conclusion. There is often no single "right" answer, and each option is likely to have risks as well as rewards.

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