MKTG 747- Marketing Strategy for Technology Platforms

(Fall 2023 - Wharton SF)

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Office hours:
By appointment via Zoom

Class meetings:
9am to 12pm and 1:30pm to 4:30pm

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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 statistics, 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 value. 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 (20 x 4 = 80%)
- ✓ Participation (20%)

Case & Analysis Assignments (4 cases x 20% = 80%)

For couple cases/lectures indicated on the syllabus, there will be several questions of analysis. 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.
- ✓ Assignments will be posted on Canvas at least a week in advance.
- ✓ The write-ups should not exceed 4 pages (or 2000 words max), including any exhibits.
- ✓ All your responses must be uploaded by the posted deadline on Canvas.
- ✓ Late assignments will not be accepted, no makeups will be given.

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 (25%)

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 session. I expect each class member to be always prepared to comment in any class session.

- ✓ You must come to the classes prepared to answer the preparation questions listed on the syllabus. I will be cold-calling students in each session.

- ✓ You must come to your registered section as course content varies across sections. You are allowed to miss one 1.5-hour session without an excuse. If you must miss more, please drop the course. Regular absence is a reason to receive a failing grade. Do not email me about your plans to be absent.

20% of your grade will be assessed as a combination of the following factors:

- ✓ Regular, on-time class attendance <mark>(we will be using the attendance app to track attendance)</mark>
- ✓ Class preparation: engagement in class discussions
- ✓ Engagement during the guest lectures
- ✓ Your peers' appreciation of your contribution

ChatGPT policy: ChatGPT is not designed to generate content with course-specific information. If you would like to use the technology to get you started with assignments or edit text, you are welcome to. Responses and ideas should belong to you otherwise and must refer to course-specific information (that only you can gain by studying the class materials).

Classroom Etiquette

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

- ✓ **Electronic devices are not allowed**.
- ✓ Cold calling will be common.
- ✓ Join the **class on time and sit at your assigned seat location**. Do not arrive late.
- ✓ Do not leave the classroom in the middle of the course.
- ✓ Observe all up-to-date Penn rules (eating/drinking restrictions, vaccination).
- ✓ Only tablet devices are allowed for note taking. No laptops and phones. You must not use other electronics.
- ✓ 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 [If necessary]

Some lectures may need be held on Zoom if a guest experiences a schedule change or in case of instructor illness. In such situations, we are 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 on time.
- ✓ Mute your microphone when you are not talking.

Course Packs & Recommended Readings

Class slides, links to points of interest, required readings, recommended 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 & optional reading materials are available through <mark>Study.net or via Lippincott library (with a link available for access the material on Canvas)</mark>. The Study.net packs are available to all Wharton graduate and undergraduate students <mark>at no cost.</mark> If you are not a Wharton student or having financial difficulties buying the course materials, there is financial assistance to cover the cost. Please reach out to the TA of the course.

Administrative Policies

✓ All assignments are cross-checked with Turnitin. Students who violate on academic honesty rules are subject to disciplinary penalties as determined by university policies and will be reported to the relevant office. 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.

No	**Day**	**Date**	**Topic**
1	Wed	September 27	**Part I: (9:00am to 10:30am)** **Welcome and Course Introduction** - What are market frictions? - What are market failures and opportunities? Multisided platforms: - What makes matchmakers and disruptors work? - Governing principles **Required Reading:** - Strategic decisions for multisided platforms **Recommended Readings:** - Making Markets - Some Empirical Aspects of Multi-sided Platform Industries - Multi-Sided Platforms-From Micro-foundations to Design Preparation questions: - What are the new business models in the market? - Why are some firms successful and why do others fail? - If you could build a company today to address a market friction, what would it be?
2	Wed	September 27	**Part II: (10:30am to noon)** **Network effects, market tipping, winner-take-all markets** - Competition & issues in sharing economy - Sharing economy: economic principles, current issues - Suitability for sharing economy **Required Reading:** - Uber: Competing Globally **Recommended Reading:** - Winner-Take-All in Networked Markets Preparation questions: - What is the status and future of sharing economy? - What market characteristics support a Winner-take-all (WTA) platform? - What makes network effects strong vs. weak? - Are data network effects stronger than network effects?
3	Wed	September 27	**Part III: (1:30pm to 3:00pm)** **Predicting Demand for New Technologies** - How to estimate demand? - How does marketing strategy change throughout a product's lifecycle? - Go-to-market and acquisition strategies - Strategies for mature brands and consumer retention - Measuring success of your marketing organization **Required Reading:** - XM Satellite Radio (A) Preparation questions: -- How should we predict demand for new technologies? -- What are the methods and tools used to estimate demand? -- What is an S-curve? How can we use the S-curve for demand prediction?

4	Wed	September 27	**Part IV: (3:00pm to 4:30pm)** **Continuing with Predicting Demand for New Technologies** **[In-class group exercise]** **Managing Marketing Strategy Through Product Lifecycle** - How to estimate demand? - How does marketing strategy change throughout a product's lifecycle? - Go-to-market and acquisition strategies - Strategies for mature brands and consumer retention - Measuring success of your marketing organization **Recommended Reading:** - From Market Segments to Strategic Segments Preparation questions: -- Why are some brands highly successful in acquiring customers? How can we tell if this success will continue over time? -- What changes would you make to their customer acquisition strategy as a company grows? -- If you are a newcomer in the market and a late player, how should your acquisition and advertising strategy look like? How should you prepare yourself for competitive entry if you are an incumbent? **ASSIGNMENT 1 DUE – October 11th, Wednesday 5pm EST** **ASSIGNMENT 2 DUE – October 25th, Wednesday 5pm EST**
5	W	November 8	**Part I: (9:00am to 10:30am)** Competing via Bundling/ Unbundling - State of the entertainment media - Valuation in music streaming - Competition in entertainment and online media **Required Reading:** - Netflix: Will Content be Enough? - Comcast Corporation **Recommended Reading:** - How to Succeed in Business by Bundling – and Unbundling Preparation Questions: - What are the revenue models for online streaming platforms? - What is the value of advertising vs subscription as revenue sources? What are the benefits and costs of these streaming revenue sources? How should platforms choose between these sources? - How should streaming platforms set subscription prices? - What factors triggered the great unbundling in music and content streaming services?
6	W	November 8	**Part II: (10:30am to noon)** **Tech Executive Sessions**

			Tina Rubin, CMO @Wave, formerly @Netflix **Topic:** Success and revenue models in music and entertainment media Preparation Questions - How is Wave's business model different than the competitors? - What are the fundamentals of Metaverse? How will it change the way firms interact with consumers? <mark>**ASSIGNMENT 3 DUE – October Nov 15th, Wednesday 5pm EST**</mark>
7	W	November 8	**Part III: (1:30pm to 3:00pm)** **Pricing Strategy** -- What are the common tools used for pricing? -- How to price new products? How do adjust pricing? -- How do consumers respond to prices? **Revenue Models** -- What are the viable revenue models for companies? -- What are the advantages and disadvantages of choosing advertising vs subscription revenue model? **Required Reading:** - Pricing at Netflix **In-class Exercise:** - How Should Netflix Add an Ad-Supported Tier? **Optional Recommended Reading:** - Marketing Reading: Pricing Strategy Preparation questions: -- How do firms price products? How do they apply price discrimination? -- Do you support the decision by Netflix to introduce an ad-supported tier? Why or why not? -- Should Netflix also consider changes to any of its existing tiers? -- How do you see the streaming service industry evolving over the next few years in terms of pricing, revenue sources, and content?
8	W	November 8	**Part IV: (3:00pm to 4:30pm)** <mark>**Tech Executive Discussion Sessions**</mark> **Satyajeet Salgar, YouTube & Google** **Topic:** Search Engines and Ecommerce on YouTube How LLMs may change the competitive landscape in search Preparation Questions - How will the future of live shopping look like? Should consumers carry out search and purchase on platforms like TikTok and Youtube rather than Google? Why or why not? - How do LLMs change the future of search engine competition? <mark>**ASSIGNMENT 3 DUE – November 17th, Friday 5pm EST**</mark>

9	W	November 29	**Part I:** <mark>**(9:00am to 10:30am)**</mark>
			
			Economics of Trust and Reputation
			- Adverse selection and lemons markets
			- Management of ratings, reviews, reputation
			- Integration of social networks for trust
			- Disintermediation
			
			Required Reading:
			   - Airbnb: Home Sharing in China
			
			Recommended Reading:
			   - Reputation and Feedback Systems in Online Platform Markets
			
			Preparation Questions:
			- What is a lemon's market? How to prevent a lemon's market?
			- How can platforms resolve issues of credibility and gather useful information from consumers?
			- How can platforms overcome the issue of trust?
			- How can platforms reduce disintermediation?

10	W	November 29	**Part II:** <mark>**(10:30am to noon)**</mark> <mark>**Tech Executive Session**</mark> **Laura Jones, CMO Instacart** **Recommended Reading:** - Instacart and the New Wave of Grocery Startups **Topic:** Maximizing customer satisfaction in instant delivery markets, thinking about retail advertising Preparation Questions - How does Instacart maintain success compared to other players in the market? - How does retail advertising change advertising markets?

11	W	November 29	**Part III:** <mark>**(1:30pm to 3:00pm)**</mark>
			
			Competitive Strategy in Online Platforms
			- Club economics
			- Competing through governance
			
			Required Reading:
			   - Updating dating
			   - eHarmony
			
			Recommended Reading:
			   - Competing by restricting choice: the case of search platforms
			
			Preparation Questions:
			- Why are there so many online dating apps? How is this market different than other markets?
			- What are the products that consumers are willing to pay more to be with others "more like them"?
			- What factors allow online platforms to profitably co-exist without taking over each other's territory?

12	W	November 29	**Part IV: (3:00pm to 4:30pm)**

			BigTech and Regulation + Privacy
			- What are the new regulations relevant to BigTech in EU and the US?
			- How will each regulation influence competition?
			
			Last session of class
			- Class summary & takeaways
			- How to transform traditional businesses into a platform
			- New Trends in Technology Platforms
			
			Recommended Reading:
			    - The American Innovation and Choice Online Act
			    - Consumer Protection for Online Markets and Large Digital Platforms
			
			Preparation Questions:
			- What are the new trends in technology?
			- How can a traditional business be transformed into an MSP?
			- How will the following regulations influence Big Tech and platforms?
			    - American Innovation and Choice Online Act
			    - The Ending Platform Monopolies Act
			    - The Open App Markets Act
			    - Platform Competition and Opportunity Act
			    - The Augmenting Compatibility and Competition by Enabling Service Switching (ACCESS) Act
			
			ASSIGNMENT 4 DUE – Nov 29th, Wednesday 5pm EST

TECH EXECUTIVE DISCUSSION SESSIONS

In some lectures, we will have distinguished speakers from various technology related firms. These sessions are meant to extend classroom discussions to different areas, including advice on how to build a successful career. 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 may follow a guided Q&A format, where we pose the speaker questions and open the floor to student-speaker interactions, and other sessions may be a guest lecture.

GUEST BIOS - In order or appearance

Tina Rubin, Chief Commercial and Marketing Officer @Wave
Formerly Head of Strategy/Consumer Marketing @Netflix

November 8, 10:30am session

Tina is a B2C/B2B executive leader with 20+ years of experience spanning tech, entertainment, and CPG. Recently, Tina's focus has been on developing commercial strategies, bringing digital products to market, growth marketing, and driving digital innovation & engagement through the use of business intelligence, technology platforms, social media, and co-marketing programs. Previous to her roles at Wave and Netflix, she was VP, Head of Marketing - Movies Anywhere at Walt Disney and Head of Engagement Marketing at Amazon Appstore.

Satyajeet Salgar, Director of Product, Youtube and Google

November 8, 3:00pm session

Satyajeet is currently the Director of Product Management at Youtube Shopping. Through his 15+ years at Google, he has led the product team responsible for the Google Discover Feed Experiences and Corpus, focused on Google Search responsible for Media (TV, Movies, Music, Books, Games etc.) and Events experiences, while also leading the Delight (Doodles, Easter Eggs etc.) programs for Google Search.

Laura Jones, CMO @Instacart, previously @Uber

Nov 29, 10:30am session

Laura serves as the CMO at Instacart. In her role, Laura is responsible for shaping a cohesive brand, fueling the company's growth, and scaling the marketing organization. Laura has led a comprehensive brand identity refresh, launched the company's first-ever integrated brand campaign, built out its Creative Studio, and developed a full-funnel in-house media team.

Recommended Videos (Optional)

1. Creating a Two-sided Network – Open Table Founder Chuck Templeton – Link
2. How Platforms Change Structure and Strategy Marshall Van Alstyne – Link
3. Blockchain Revolution without the Blockchain? (Hanna Halaburda) – Link

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.