

EMPIRICAL MODELS IN MARKETING

(MKTG 956)

Spring 2022

Professor Eric T. Bradlow
The K.P. Chao Professor, Professor of Marketing, Statistics and Data Science,
Economics and Education

Friday 10am – 1:00pm

Objectives:

This seminar-based class is designed to introduce doctoral students to the fundamental empirical models and estimation methods utilized in quantitative academic marketing papers. That is, if this class is successful, you should know the basic purpose, data requirements, mathematical formulation, and equally important the jargon/verbiage, associated with a wide assortment of quantitative marketing models.

Outline of Each Class Session:

Each class session will have a similar structure. We will review two published papers (in some rare cases possibly three), consisting of a “classic marketing paper” that seminally introduced a concept/model to the literature, followed by a more recent updated version of the same concept. In this manner, students will become familiar with the tradition of marketing science, but also gain knowledge of “modern updates” to those papers. Given that only two papers are assigned for each week, a deep and detailed coverage of each paper, with detailed pre-reading on the students’ part, is expected.

Course Materials and Website:

Copies of the papers sit on the course canvas site which can be accessed by logging into (<https://wharton.instructure.com/login>).

Grading:

Your grade in the course will consist of three parts.

- (i) Each week, you are required to turn in AT THE BEGINNING OF CLASS, a no more than 5-page summary of the papers from that week. These short summaries will be graded based on your ability to: (i) concisely summarize the papers, (ii) provide a description of opportunities to extend these papers into novel research areas, (iii) your ability to raise critical questions about any aspect of the paper of your choosing, and (iv) most importantly, tie one or more of the papers to a problem that YOU ARE WORKING ON.
- (ii) The reason that we are meeting as a class is for you to share your ideas with others. Come to class prepared to discuss both papers that are assigned.
- (iii) As a final project, I will ask each of you to construct a no more than 30-minute presentation summarizing “Lecture N+1”. That is, if there was one additional lecture, what would it be on? You pick the paper, or two papers, write up a summary of them (20 pages or less), and prepare a presentation on the topic.

Contact Information

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Course Outline

Session

1. January 14th (REMOTE) Choice Models/Loyalty

Paper 1: Guadagni, P.M. and Little, J.D.C. (1983), “A Logit Model of Brand Choice Calibrated on Scanner Data”, *Marketing Science*, Vol. 2, No. 3, pp 203-238.

Paper 2: Dube, J-P, Hitsch, G, and Rossi, P.E. (2010), “State Dependence and Alternative Explanations for Consumer Inertia”, *RAND Journal of Economics*, Bol. 41, No. 3, pp 417-445.

2. January 21st (REMOTE) Conjoint Analysis

Paper 1: Marshall, P. and Bradlow, E.T. (2002), “A Unified Approach to Conjoint Analysis Models”, *Journal of the American Statistical Association*, 97:459, pp. 674-682.

Paper 2: Iyengar, R., Jedidi, K, and Kohli, R. (2008), “A Conjoint Approach to Multipart Pricing”, *Journal of Marketing Research*, Vol. XLV, pp. 195-210.

3. January 28th (IN PERSON) CLV/Attrition Models

Paper 1: Schmittlein, D.C., Morrison, D.G. and Colombo, R. (1987), “Counting Your Customers: Who Are They and What Will They Do Next?”, *Management Science*, Vol. 33, No. 1, pp. 1-24.

Paper 2: Schweidel, D. A. and Knox, G. (2013), “Incorporating Direct Marketing Activity into Latent Attrition Models,” *Marketing Science*, 32 (3), pp. 471-487.

4. February 4th (IN PERSON) TBD: Raghu Iyengar #1

5. February 11th WHARTON MARKETING CAMP

6. February 18th (IN PERSON) TBD: Raghu Iyengar #2

7. February 25th (IN PERSON) TBD: Raghu Iyengar #3

8. March 4th (IN PERSON) Lecture N+1 (Bradlow and Iyengar)