Course Overview

The primary purpose of this course is to get you to like research and develop your own research ideas. We try to achieve this primary objective by reading, digesting and criticizing classic and current papers involving modeling in the field of marketing, thereby achieving a second objective: familiarize you with the field of modeling of marketing problems.

Course Format

We will meet for three hours each week. In each class we will discuss a paper or a set of papers (some in excruciating detail). We may add papers to complement the main readings. Everybody is expected to have thoroughly read all papers while spending more time on the assigned paper(s). The student assigned the paper being discussed is expected to introduce the paper and lead the class discussion. While reading the papers it may be useful to first identify the research question, major concepts used to formulate the research problem, the methodology used, key findings and its major shortcomings or weaknesses. You should then be able to suggest research ideas on how to address the weak or problematic aspects of the article. As in any Ph.D. seminar, class participation is a critical element. It should be a joint learning experience. Although we will cover a broad range of marketing problems, the course is not intended to be a traditional survey course. We will pay equal attention to depth as well as breadth of analysis. To the extent possible, I will summarize the state of the art research to put the papers in a broader perspective.

Prerequisites

Some knowledge of calculus of optimization will be useful. A good review of these techniques is provided in Appendix I of Lilien, Kotler, and Moorthy. Some of the papers that we will discuss assume some knowledge of game theory, optimal control, and econometrics. I will discuss the basic concepts of these techniques in class.

Text

There is no required text for the course. The following however, are some good references for the future and helpful for background reading. For most classes I have included a review paper as background reading on the particular area.


**Performance Evaluation**

There is no midterm or final examination.

**Short Papers (40%)**: In each class you will turn in a short (2-3 pages double spaced, 12 pt) summary of the paper assigned to you for the class mentioning: the research question(s) in your own words, major concepts used, the methodology, key findings and a critique that would lead to a research opportunity.

**Final Term Paper (60%)**: As you read the assigned papers, you should always think about how to improve the models. As the course progresses, you should accumulate a list of potential research topics. Eventually I want you to choose a topic that is of interest to you. The requirement for this course is to submit a paper that describes the problem, puts it in the larger context of the particular research area, outlines your model to address the identified problem, and discusses how you would proceed to obtain results to validate your model. The term paper (about 20-30 pages double spaced, 12 pt) is due on the last day of the semester.

**Academic Integrity Requirement**

The faculty of the ESMT has adopted an academic policy emphasizing that honesty, integrity, and respect for others are fundamental expectations in our School. The following is an excerpt from the School’s Academic Integrity Guidelines:

Conducting research entails agreeing upon certain ethical principles, departmental regulations, and national and international laws. By writing your thesis, you agree not to engage in research misconduct as defined below in that they violate the above mentioned. Any infringements will lead to disciplinary action. Serious research misconduct is defined by the following criteria:

1. Conduct that is deemed by the school to cause damage to the school’s standing and reputation in the academic community and/or the public in general
2. Conduct that is harmful to others
3. Conduct that displays a persistent, flagrant and willful disregard of the rules and guidelines laid down for conducting research within ESMT

The following is a specific list of types of misconduct:

1. Fabrication of data in claiming results where none have been obtained
2. Falsification of data by changing the collected data to fit your purpose
3. Plagiarism, or the copying another text without appropriate and proper bibliographic citation and referencing, therefore implying that you have written the text when you have not
4. Involving people as your research subjects without safeguarding their right to privacy
5. Other practices that deviate from those commonly accepted within the relevant research community for proposing, conducting or reporting research
6. Beyond these points, any activity that is illegal based on local, national or international law will result in immediate disciplinary action and will be reported to the relevant authorities

Probably the most common type of research misconduct is that of plagiarism, or copying text written by someone else and claiming it is your own. In practice, this is done in two ways. One is
when you copy text and omit any reference implying you are the author. The second way is when you copy text but refer to it as a reference and not as a citation, claiming that you wrote the text. To avoid being accused of plagiarism, it is not enough just to add a reference to a paragraph or page that you have completely copied. When using literature, the first option is always to discuss the references in your own words, including the relevance and importance to your claims. An alternative is to exactly quote the words used by the original author (a quote) with a suitable notation. This should only be done for a few sentences at the most. Copying paragraphs and pages are of course not allowed.

Misconduct does not include honest errors or honest differences in opinion arising out of data interpretation. In case of doubt, you should discuss the matter with your instructor.

**Use of Student Work**

Work produced by students as part of this course may be used for educational purposes. It is understood that registration for and continued enrollment in this course constitute permission by the student to use his or her works for educational purposes. Works in all media produced by students as part of their course participation at ESMT may be used for educational purposes provided that the course syllabus makes clear that such use may occur. If I use your work for teaching evaluation and assessment, I will render the work anonymous through removal of identification of the originator of the work.

**Tentative Class Schedule and Reading Assignments (Summe Semester 2012)**

*(Core) Management Science I: Marketing Models (4.5 CP)*

**Week 1:**

**Philosophy of Science and Modeling**

**Background reading:**

   
   While reading these pages focus on Popper’s assertions about the difference between science and metaphysics and his criteria for what makes research scientific.

   
   While reading these pages focus on 1) Kuhn’s definition of what science is and what a paradigm is, and 2) his assertion that paradigms both enhance and retard progress in science.
   
   - Chapter 2: The Route to Normal Science
   - Chapter 3: The Nature of Normal Science
   - Chapter 4: Normal Science as Puzzle Solving
   - Chapter 5: The Priority of Paradigms
Assigned reading:

   - The section on Karl Popper and falsificationist approaches: 289-296.
   - The section on Thomas Kuhn: 321-331.
   - The section on scientific realism: 378-393.
   - The summary table: 408-409.
   Postscript: pages 174-182: Kuhn tries to clarify the meaning of “paradigm”.

2. Blaug, Mark (1992), *The Methodology of Economics, Or How Economists Explain*, Second Edition, Cambridge: Oxford University Press, 3-47. Chapters 1 and 2: read for the coverage of Popper and Kuhn as applied to economics (note that both Popper and Kuhn appear to be more focused on natural sciences). Read also the discussion of whether social science is different from physical science (last part of chapter 2). I suggest skipping pages 32-39 entirely and picking up again from “Back to First Principles” on page 40. This book is used by many social scientists as a primer to all of philosophy of science, “translated” to social sciences. Some people find it useful to read Blaug before reading the originals, and many people like Blaug better than Hunt as a guide to this literature. Hunt is more expository. Blaug is more an advocate and more focused on economics per se.


Week 2:

**Consumer Choice Models and New Product Diffusion**

Background reading:


Assigned reading:


**Week 3:**

**Channels of Distribution**

*Background reading:*


*Assigned reading:*


**Week 4:**

**Advertising**

*Background reading:*


*Assigned reading:*

Week 5:

Pricing

Background reading:

Assigned reading:

Week 6:

Sales Force Management

Background reading:

Assigned reading:

Week 7:
**Competition, Market Entry and Pioneering**

*Background reading:*


*Assigned reading:*