ECONOMICS 176: MARKETING

Spring 2016   **Maxim Sinitsyn, msinitsyn@ucsd.edu**
MWF 3:00-3:50, Center Hall 105   **Office Hours: Tu 1-3 in Econ 111**

TAs   Office
Chen Liu (chl110@ucsd.edu)   SH 232
(responsible for HW1, HW2, and Research Project Analysis)

Wei You (wyou@ucsd.edu)   ECON 125
(responsible for MT, Final, and Research Project Proposal)

Course Objectives: In Econ 176, we will examine the role of marketing in the economy. You will learn how economic modeling is used to study marketing phenomena. We will also review empirical work that illuminates the connection of these theoretical approaches to the real-world practices. Finally, you will get hands-on experience with the techniques of marketing research.

Prerequisites: Econ 120C is a prerequisite for this course (concurrent enrollment in Econ 120C is permitted). We will examine several empirical papers that utilize the material you learned in the econometrics sequence. Working knowledge of estimating discrete choice models is essential for the successful completion of the marketing research project.

Suggested Textbooks and articles:
Train, K. (2009) *Discrete Choice Methods with Simulation*. Cambridge University Press.
It is available on his website at http://elsa.berkeley.edu/books/choice2.html

Khan, R. and D. Jain, 2005. "An Empirical Analysis of Price Discrimination Mechanisms and Retailer Profitability," *Journal of Marketing Research*, 42(4), 516-524.

Pepall, L., Richards, D., and G. Norman (2008) *Industrial Organization: Contemporary Theory and Empirical Applications*. Blackwell Pub., Marden, MA. Sections 5, 6, and 7.5. It is on reserve in the library.

Exams: Grading will be based on two homework assignments (5% each), one midterm (20%), a final examination (30%), and a marketing research project (40%). All exams are closed book, and you may not use calculators and cell phones during the exams.

Marketing Research Project: The marketing research project consists of two parts: a proposal (20% of the final grade) and an econometric analysis (20% of the final grade). For the first part, you will have to identify a hypothetical marketing situation faced by an organization and design a survey, with which it would be possible to collect the data relevant for studying this situation. For the second part, two surveys will be chosen for in-class data collection. You will perform an econometric analysis of this data and write a 3-5 page report about your findings.

Schedule:
Week   Topics

1   Discrete Choice Models;
                Description of the Marketing Research Project

2   Logit Models;

3   Logit Models; HW1

4   Logit Models; Stata Sessions

5   Logit Models; HW2

No class on Friday, April 29th

Midterm (May 4th)

6   First-Degree Price Discrimination

The Marketing Research Project Proposal is due May 11th

7   Third-Degree Price Discrimination

8   Second-Degree Price Discrimination, Quantity Discounts

9   Quality Choice, Damaged Goods

10   Bundling and Tying, Advertising; Review

The Marketing Research Project Analysis is due June 3rd
Final: June 8, 3:00-5:00