# ECONOMICS 176: MARKETING

**Fall 2013**                                   **Maxim Sinitsyn, msinitsyn@ucsd.edu**
**MWF 1:00-1:50, Center Hall 212**              **Office Hours: Th 10–12 in Econ 111**

TAs                                             Office, Office Hours
For the Research Project: Aniela Pietrasz       ECON 123; M 10:00-12:00
                    apietras@ucsd.edu
For the Homework and Exams: Michael Wither      SH 228; TTh 11:00-12:00
                    mwither@ucsd.edu

*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. While Econ100C is not a prerequisite, I will use game theory extensively in this course (there will be a review of that material in weeks 3-4).

*Suggested Textbook*:
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

*Exams*: Grading will be based on one homework assignment (5%), two midterms (15% each), a final examination (25%), and a marketing research project (40%). You must take both midterms. 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           Marketing Tools: Discrete Choice Models;
            Description of the Marketing Research Project

2           Marketing Tools: Logit Models

**Midterm 1 (October 18)**

3           Marketing Tools: Game Theory, Static Models

4           Marketing Tools: Game Theory, Dynamic Models

**The Marketing Research Project Proposal is due October 28th**

**Midterm 2 (November 8)**

5           Product Differentiation

6           Pricing: Two-Part Tariff and Peak-Load Pricing

7           Pricing: Price Promotions

8           Quality Choice

9           Advertising

10          Bundling; Review

**The Marketing Research Project Analysis is due December 6th**
**Final, December 9 11:30-1:30**