# ECONOMICS 176: MARKETING

TAs
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*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 Textbook and article*:
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.

*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

**Midterm (Nov 6th at 8pm in Solis 107)**

6        First-Degree Price Discrimination

**The Marketing Research Project Proposal is due Nov 13th**

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 Dec 6th**
**Final: (Sec. A – December 11, 3:00-5:00; Sec. B – December 13, 3:00-5:00)**