

ECONOMICS 176: MARKETING

Spring 2020

MWF 11:00-11:50, Zoom ID: 883-658-9887

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Office Hours: MWF 9:00-9:30

TA

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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.

Academic Integrity: To protect academic integrity this quarter, we are likely using either Loom or Zoom. These programs use video and audio recording or other personal information capture for the purpose of facilitating the course and/or test environment. UC San Diego does not allow vendors to use this information for other purposes. Recordings will be deleted when no longer necessary. However, if cheating is suspected, the recording may become part of the student's administrative disciplinary record. Finally, I reserve the right to give an oral test if I feel it is necessary to uphold academic integrity.

Schedule:

| Week | Topics |
|---|--|
| 1 | Discrete Choice Models; |
| 2 | Logit Models; HW1 |
| 3 | Logit Models; Stata Session |
| 4 | Logit Models; Description of the Marketing Research Project; HW2 |
| 5 | Logit Models; |
| Midterm (May 1st in class) | |
| 6 | First-Degree Price Discrimination |
| The Marketing Research Project Proposal is due May 8th | |
| 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 5th | |
| Final: June 12, 11:30 | |