Objectives

A customer or market orientation has become a necessity for the success of the firm in the highly competitive global market place. Being customer oriented implies, above all, that you understand the customers, i.e. who they are, what motivates them to do business with your organization, and how they can be influenced to become better customers. Thus, developing customer intelligence and acting on it wisely becomes an important strategic activity for the organization.

The course is dedicated to this concept, which we call 'customer information strategy.' We will use modern information technology - i.e. marketing databases and marketing models - to help design strategy and allocate company resources that maximize customer response to these efforts. The emergence of the internet as a platform for interacting with customers and prospects creates a unique opportunity for implementing a customer information strategy.

The course builds on the principles taught in the marketing strategy course, and integrates many elements from economics, statistics, accounting, finance and technology management systems you have learned in the first year of the program. The components of the course are:

- market forecasting, innovative and imitative customers
- customer equity: definition and measurement
- transactions based segmentation and targeting
- measuring the effects of marketing investments
- market response based resource allocation

Course materials


Software, cases and exercises to accompany the Lilien et.al book. The cases and exercises are available from your “My Documents” folder, under “My Marketing Engineering.”

Additional articles from leading journals.

Class sessions

1 Fri September 21
2 Sat September 22
3 Fri October 5
4 Sat October 6
5 Fri October 19
6 Sat October 20
7 Fri November 2
8 Sat November 3
9 Fri November 16
10 Sat November 17
11 Sat December 1 (final exam)

Student evaluation

1. Individual participation in case studies and discussion assignments (20%). In order to receive participation credit for a missed case discussion, email your two-page case analysis to me before the start of the class.

2. Two reports on case studies of your choice, to be handed in before the case discussion (15% each). Maximum three authors per report, maximum eight double-spaced pages plus exhibits.

3a. EITHER: Individual final exam (50%) - open book, essay style - on principles of customer information strategy (December 3).

3b. OR: Report on customer information strategy (50%). Using data from your or a team member's company, conduct a pilot project focusing on one of the following:
market forecasting and/or product life cycle analysis of a product or service  
measurement of customer equity  
customer preference assessment  
measurement of the effectiveness of marketing programs  
evaluation of resource allocation practice  

The report should state the problem, present the analysis and findings, and offer strategic recommendations. **Submit a one-page project proposal for my comments and approval by October 6. You may undertake this project solo, or in teams of up to 3 people.** The report will be printed double-spaced and should not exceed twelve pages, plus exhibits. All reports will be read in confidentiality and will be returned to the participant.

**Note on team reports:** in principle, each member will receive equal credit. A team signals equal contribution by listing its members on the report alphabetically. If a different name ordering is used, I may inquire about individual contribution levels.
### Session topics and advance reading/case study assignments

H = Hanssens book section  
L = Lilien et al. book chapter

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Useful references


About the instructor

Dominique Hanssens is the Bud Knapp Distinguished Professor of Marketing at the UCLA Anderson Graduate School of Management, where he has been on the faculty since 1977. He has served as the school's faculty chair, associate dean, and marketing area chair. From 2005 to 2007 he served as Executive Director of the Marketing Science Institute in Cambridge, Massachusetts.

Dr. Hanssens studied econometrics at the University of Antwerp (B.S., 1974) in his native Belgium. He then obtained an M.S. (1976) and Ph.D. (1977) in marketing from Purdue University. His research focuses on strategic marketing problems, in particular marketing productivity, to which he applies his expertise in data-analytic methods such as econometrics and time-series analysis. Professor Hanssens serves or has served as an area editor for Marketing Science and an associate editor for Management Science and the Journal of Marketing Research. His papers have appeared in the leading academic and professional journals in marketing, economics and statistics. Five of these articles have won Best Paper awards, in Marketing Science (1995, 2001, 2002), Journal of Marketing Research (1999, 2007) and Journal of Marketing (2010), and eight were award finalists. The second edition of his book with Leonard Parsons and Randall Schultz, entitled Market Response Models was published by Kluwer in 2001 and translated in Chinese by Shanghai People’s Publishing House in 2003. Professor Hanssens won distinguished teaching awards in the UCLA MBA and Executive MBA programs. In 2003 he was awarded the UCLA Anderson School’s Neidorf ‘decade’ teaching award, in 2007 he was the recipient of the Churchill Lifetime Achievement Award of the American Marketing Association, and in 2010 he was elected a Fellow of the INFORMS Society for Marketing Science.

Professor Hanssens' consulting experience covers strategic marketing problems such as allocating marketing resources, assessing long-term marketing effectiveness and growing customer equity. His approach emphasizes market-response modeling on sophisticated customer and marketing databases. He has conducted assignments for Agilent Technologies, British Telecom, Disney, Google, Hewlett Packard, Hughes, Johnson & Johnson, Mattel Toys, Mercedes, Microsoft, Schwab and Wells Fargo, among others. He is a founding partner of MarketShare, a global marketing analytics firm headquartered in Los Angeles.

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