COURSE SYLLABUS AND SCHEDULE

Instructor: Professor Ely Dahan, Gold Hall B5.14, edahan@ucla.edu

TA: Andrea Costantini, andrea.costantini.2005@anderson.ucla.edu

Support: Matt Brown, matt.brown@anderson.ucla.edu, Mktg. Area Office, B4.12, 825-0003

Required Text: Course Reader & Class Handouts

The objective of Market Assessment is to introduce you to concepts, frameworks, and analytical tools to help set the 4 P’s (Product, Place, Promotion and Price) in the marketing mix. After the course you should be able to successfully execute each phase of a market assessment program. This class aims to:

1. provide insight into how to identify and understand consumer needs
2. provide tools for sizing a market based on understanding of:
   - diffusion-of-innovation processes for durables
   - trial-and-repeat processes for non-durables
3. provide insight into how to fulfill consumer needs through understanding
   - segmentation and positioning analyses
   - conjoint analysis and other methods to measure preferences
   - the role of firm competition
4. To bring the above concepts to life through a real-world example using data collected by the class itself on members of the class.

Successful market assessment requires strong analytical tools coupled with a deep understanding of both consumers and customers.
260A COURSE MATERIALS

1. Readings
All required readings are included in this reader, or will be handed out in class during the quarter.

2. Lecture Notes
Hardcopies of the PowerPoint slides available for each class will be distributed at the beginning of each class, or will be available electronically on the server.

3. Additional Materials
Additional materials may be distributed (on an as-needed basis) as the quarter progresses.

260A COURSE “RULES”

1. No PC’s/Laptops/PDA’s/Phones
Please place PC’s & laptops, phones, PDA’s under desk (and turned off) during class, except when I ask you to use them for an in-class exercise. Please no email or web surfing during class. Please be considerate of others regarding eating, chatting, bathing, etc.

2. Mandatory attendance
You are required to attend every one of our ten sessions together. Please do not schedule travel, interviews, or other activities in conflict with 260A.

3. Assignment deadlines:
Please submit assignments on time to count for your grade.

4. Bidding and Registering for 260A:
In the past, 260A enrollment has filled up quickly. I recommend that you bid for the class if you have any intention of taking it. It is unlikely that any students will be added off the wait list who had not previously bid for 260A.
ASSESSMENT

Your final grade in the course will be based on both individual and group work. In the past, between 35% and 40% received A’s of some sort, 60%+ B’s of some sort, and a few C’s.

The evaluation is based on:

A. Class Participation 20%
B. Three Individual Assignments 40% (10%, 15%, 15%, respectively)
C. Two Group Assignments 40% (15% for the first, 25% for the final assignment)

Please note that no late assignments will be accepted. All work is due on the due date.

A. Class Participation (20%)

Every session of the course will involve interaction in the form of class discussion. I expect each class member to be prepared at all times to comment in any class session. To reinforce this expectation, I do cold call. However, participation on the part of the student’s own free will is preferred; don’t wait to be called upon.

Many of the sessions in this course follow a tool-based format. The readings for each session are intended to help you understand these tools and how they fit in the larger marketing context. Therefore, I expect that participants thoroughly prepare these readings -although some will be perceived to be dry.

B. 3 Individual Assignments (40%)

Three assignments must be completed on your own, without help from anyone. These three individual assignments will consist of short exercises or short written responses to a specific set of questions related to material that will be discussed in class, and the first will be worth 10% of your grade while the second and third will each be worth 15% of your grade.

C. 2 Group Assignments (40%)

We ask that you form groups of 4 to 5 people to prepare the group assignments. The first group assignment is worth 15%, and the second (final) assignment is worth 25% of your grade, and all group members will receive the same grade for these two write-ups.

For some group assignments you will be given a set of questions to address for a case that will be discussed in class. Groups may be randomly selected to present their strategies for a short presentation during class. So, I suggest that your group make up a short 5-6 slide PowerPoint presentation along with your write-up. Put these slides on a floppy disk or the network so you can pull them up at a moment’s notice during class. These presentations will not be graded but will affect your class participation grade. What will be graded is the case write-up, which you will be asked to turn in at the beginning of class. You may want to retain a copy of the write-up, then for discussion.
M260A SCHEDULE OF CLASS SESSIONS

SESSION 1 – INTRODUCTION TO ADVANCED MARKETING MANAGEMENT
A FRAMEWORK FOR ASSESSING A MARKET
Thursday, September 30, 2004

In this introductory session, we go over the various requirements and administrative details associated with the course, and present a framework for organizing the remaining class sessions. This session provides a conceptual overview of the process of assessing a market for purposes of identifying marketing opportunities and developing an effective marketing mix.

Also, this session aims to set the tone for how one should view the *complex market* place nowadays. To this end, I have included an influential reading from John Holland’s book on complexity, chaos, and emergence and an HBR piece by Arthur.

Learning points:
1. Which three types of assessment problems exist in marketing?
2. What is the root of economic prosperity for companies?
3. Which difficulties face the marketing decision maker in assessing markets?

Readings:
2. Rao and Steckel, chapter 4
3. Holland, chapter 1

FORM YOUR TEAM THIS WEEK.

SESSION 2 – UNDERSTANDING CUSTOMERS / INTRODUCTION TO CONJOINT ANALYSIS
Thursday, October 7, 2004

In this session we discuss the *consumer* and what, ideally, we wish to measure typically in the development of new products.

Learning points:
1. What are the key determinants of new product success in the eye of the consumer?
2. What do we know about consumer biases?
3. What are preferences?

Readings:
1. Dahan, Ely, “Teaching Note: Conjoint Basics”
2. Martin, “Ignore your customer”

TURN IN INDIVIDUAL ASSIGNMENT 1 on 10/7/04 (10% of grade).
SESSION 3 – MEASURING AND VISUALIZING CONSUMER PREFERENCES
Thursday, October 14, 2004

Today’s session is about assessing customer preferences. In particular, we will take a look at conjoint analysis. We will look at an actual implementation of conjoint analysis, where you will be doing the analysis (and you will like it). While it is not our goal to turn you into conjoint analysts – so don’t fret! – it will be beneficial to you to get exposed to what these analyses can do for you in some detail. We would like for you to be an intelligent discussion partner with providers of market assessment techniques (as opposed to…). This session is thus a roadmap to consumer opinion measurement on your way to becoming proficient at assessing markets.

NOTE: A short exercise will be completed in this class to provide the data for an assignment due at the next session.

Learning points:
1. How do you measure consumer preferences?
2. What is conjoint analysis? What are its pros and cons?
3. How do you design a conjoint experiment?
4. Which turn-key packages are available?

Readings:
1. “Conjoint Analysis: A Manager’s guide”
2. Hair et al: Chapter 7 (Conjoint Analysis).

SESSION 4 – SEGMENTING THE MARKET
Thursday, October 21, 2004

This section focuses on the problem of grouping and dealing with customer differences.

Learning points:
1. On which bases might you group consumers into market segments?
2. Which statistical methods exist for grouping consumers?
3. Why does one segment markets?

Readings:
1. Rao and Steckel, Chapter 2
SESSION 5 – FORECASTING NEW PRODUCT DEMAND  
Thursday, October 28, 2004

One of the key problems in market assessment and product management is forecasting how sales will grow over time. It is therefore important to develop the right intuitions and ideas about how sales evolve over time. The purpose of this class is for you to discover several useful and actionable regularities about the size of the market as a function of time. Real world examples will be used as illustrative cases for additional discussion.

Learning points:
1. What is product diffusion?
2. How can you predict new product sales without the benefit of actual market data?

Readings:
3. Rogers, Chapter 8 on “Opinion Leadership and Diffusion Networks”

TURN IN INDIVIDUAL ASSIGNMENT 3 on 10/28/04 (15% of grade).

SESSION 6 – FORECASTING DEMAND FOR ESTABLISHED PRODUCTS (NOVEMBER 4)
Thursday, November 4, 2004

GUEST: Rajeev Mishra, Epson America HDTV and LCD Projection Product Management

In most practical marketing problems, market sizing and extrapolation is an important component of market assessment, segment choice, and portfolio management. In this session, we will do three things. First, we’ll have a couple of insightful discussions about what exactly is important or interesting about market sizing and extrapolation. Second, we will discuss a small practical case. Third, we will introduce some Excel macros for prediction. This third part of the session comes in the form of an individual exercise, which is not for grade (the last group exercise, which IS for grade, builds on this one!). We will provide in-class help. Our goal is to help you discover various techniques and applications of market sizing and forecasting.

Learning points:
1. Which techniques for prediction exist?
2. What other uses can existing data have for diagnosing a market?

Readings:
1. Aczel, “Time Series, Forecasting, and Index numbers,” pp. 598-635
3. “Researching and Monitoring Consumer Markets”

TURN IN GROUP ASSIGNMENT 1 on 11/4/04 (15% of grade).
SESSION 7 – USING PREFERENCE MEASUREMENTS
Thursday, November 11, 2004
This section addresses how to predict market shares of new products launched amid extant brands. We will make this section very hands-on, and use the output from conjoint analysis to make predictions about market share of newly introduces products. You will do a group exercise, partly in class, partly at home, in which you will have to figure out which product to introduce. You will need to use the material from your previous individual exercises to figure this one out.

Learning points:
1. How can you make market share predictions that make sense?
2. How can you design a product line?

Readings: None, you will receive special notes for this session

SESSION 8: TEST MARKETS
Thursday, November 18, 2004
Most companies do not want to risk a national launch before testing a product in select markets. This class is devoted to an extensive tour of all the options available for comprehensively testing launch strategies in select markets.

Learning points:
1. What is most beneficial about test markets in terms of guiding a new product launch?
2. What are the strengths and weaknesses of test markets?
3. If you were a product manager of a packaged good, what kind of information would you like to get on (a) an ongoing basis, (b) a quarterly basis, and (c) a yearly basis.

Readings:
1. Dahan and Srinivasan, “The Predictive Power of Internet-Based Product Concept Testing”
2. Urban and Hauser, Chapter 17
3. "Virtual Shopping: Breakthrough in Marketing Research," (Burke)

SESSION 9 – ALLOCATION OF MARKETING-MIX BUDGETS
Thursday, December 2, 2004
The most important task of many young managers is to manage a brand or product line. To this end, budget allocation of marketing dollars to marketing mix instruments is a central theme in many early careers in marketing. Hence, we spend a session today on this topic.

Learning points:
1. How do you deal with the inherent differences in "clock speed" of the 4 P’s?
2. How can we use market assessment to allocate marketing budgets?

Readings:
1. Rao and Steckel, Chapter 8

TURN IN GROUP ASSIGNMENT 2 on 12/2/04 (25% of grade).
SESSION 10 – COURSE WRAP-UP AND SUMMARY
Thursday, December 9, 2004

This session will summarize the key learning points from the past quarter using our case study. We will try to understand how one might apply market assessment data to the real world marketing issues of product design, pricing, promotion and placement.

Learning points:
1. How do you apply market assessment data to answer the 4P’s?
2. Have the Treo 600 and Nokia products addressed the opportunities in this market?

Readings:
1. Various articles / web sites about the Palm / Handspring Treo 600 and new Nokia offerings.
2. You may also receive special notes and articles for this session

Have a wonderful winter holiday break!
### SUMMARY – 260A-01 SCHEDULE ★ Room D3.01 ★ Thursday 4:00pm – 6:50pm ★ Prof. Dahan (edahan@ucla.edu)

<table>
<thead>
<tr>
<th>Session</th>
<th>Topic</th>
<th>Reading</th>
<th>Case Discussion</th>
<th>In Class Exercise</th>
<th>Assignment Due</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROBLEM AREAS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 1 | Customer, Competition, and new product opportunities | • “Sabermetrics”  
• Rao & Steckel, chapter 4  
• Holland, “Basic Elements” | | | |
| 2 | Understanding Customers | • “Teaching Note: Conjoint Basics”  
• “Ignore your customer?”  
• “Market Research the Japanese Way”  
• Analyzing customer preferences | | Individual Assignment #1 |
| **SOLUTION TOOLS** | | | | | |
| 3 | Measuring and visualizing consumer preferences | • “Conjoint Analysis: A Manager’s Guide”  
• Hair et al, Chapter 7, Conjoint Analysis | In-Class Conjoint Exercise | Individual Assignment #2 |
| 4 | Segmenting the market | Rao & Steckel, chapter 2 | In-Class Segmentation Exercise | |
| 5 | Forecasting of market demand for new products | • “Jilters Regret Missing ‘Wedding’”  
• “Group Communications: Word-of-Mouth and Diffusion Processes”  
• “Opinion Leadership and Diffusion Networks” | | Individual Assignment #3 |
| 6 | Forecasting of product demand for established products | • Aczel pp. 598-635  
• “Models of Sales Formation: What-If Analyses”, pp. 299-332  
• “Researching and Monitoring Consumer Markets” | Zenith HDTV  
*Guest: Rajeev Mishra, Epson*  
HDTV & LCD Prod. Management | Group Assignment #1 |
| **IMPLEMENTATION** | | | | | |
| 7 | Using preference measurement | Class handouts | In class market share prediction exercise | |
| 8 | Test markets | • Dahan & Srinivasan, “Concept Testing”  
• Urban and Hauser, Chapter 17  
• “Virtual Shopping” | | |
| 9 | Allocation of marketing mix budgets | Rao and Steckel, Chapter 8 | | Group Assignment #2 |
| 10 | Course wrap-up | • Treo 600 and Nokia articles  
• Class handouts | Treo 600 / Nokia | Discuss results |