MGT 293-2: Internet Marketing

Course Guide Version 1

Time/Location: Full-time: Monday, 11:30 am-2:30 pm; 261 AOB4.
Working Professional: Monday, 6:00 pm - 9:00 pm; OCM2.

Instructor: Visiting Lecturer Robert Breyer

Term: Winter Quarter 2002

Course Number: 293-2

Official Course Title: Internet Marketing

Unofficial Course Title: e-Marketing or Hybrid Marketing

Office Hours: By appointment.

Contact Details: robertbreyer@gsm.ucdavis.edu or 650-218-7947

Sessions: There will only be 9 sessions to this course. There will be no classes on February 17 and January 20 (academic holidays). Instead, there will be a lecture on Friday, January 24 which serves as an academic Monday. The last session, on March 10, will need to be rescheduled as I am unavailable that day. My recommendation is to reschedule it for Friday February 21.

There will be NO final exam.

Overview: Welcome to convergence marketing. This course will discuss how to market goods and services to today’s hybrid consumer. Yes, the dot-com and telecom bubbles have burst. Yet the Internet permeates people’s lives more than ever. In addition, a plethora of connected electronic devices is busy invading our lives: cell phones, PDAs, personal video recorders, in-car computers.

We will discuss how today’s marketeer can effectively utilize these electronic tools to better market their product or services.

Objectives: The course has a number of objectives. These are:

- To show how both marketing and the consumer are changing as a result of the Internet. Specifically, we will investigate the new hybrid consumer that is utilizing both clicks and bricks to interact with companies.

- To better understand the marketing capabilities of the Internet and related technologies, such as broadband and WiFi, GSM and 3G cell phone networks, telematics, and CRM.

- To engage in some discussion and debate on the industries that are most exposed to the Net, such as the entertainment Industry, banking, real estate.

- To provide exposure to some outside companies and individuals in the Net Marketing industry.

Teaching method: A mixture of lectures, cases and student presentations.
Textbooks:
There will be two books subscribed for this course. The 1st book, Convergence Marketing is a mainstream non-fiction book that is very light bedtime reading and will take you two evenings to finish.

The official text book is *Internet Marketing* by Rafi Mohammed, et al. (Note: the previous version of this syllabus I chose a different book, which is not yet available).

Please buy these books on your own. (The university bookstore will not stock it). One of your assignments will be to write a report on your purchasing experience (see below).

**Convergence Marketing: Strategies for Reaching the New Hybrid Consumer.**

**Internet Marketing**

Other optional reading: Hanson’s Internet Marketing is a book I used the last two years, but it’s gotten a bit out of date. Hanson is working on an update, but not in time for this years’ class 😞 If you plan to become a practitioner of IM this should be on your bookshelf as well – used copies are going cheap on Amazon.com. The last book E-Marketing, is also hot off the press. I originally wanted to subscribe it as the text book for this course, but it’s not yet widely available.

**Principles of Internet Marketing.**
by Ward Hanson.

Some Background to the Name Change to “Internet Marketing”: This course has previously been called “Marketing for E-Commerce”. This title sounded a bit verbose and outdated to me. The old title implied that the course only focuses on the marketing efforts related to e-commerce, or business
transacted on the Net. Yet the Net is about a lot more than just e-commerce. Today, the mantra for many companies is “Call, Click or Visit”, implying that customers can shop via many different channels, namely over the phone, on the Net or in person. So I have renamed this course “Internet Marketing”.

Today there are around 150 million Internet users in the USA alone. Worldwide the magic One Billion number is in sight. Right now consumers and businesses are accessing the Net primarily from personal computers. That is about to change, as the number of Internet-connected devices is skyrocketing. From mainstream devices such as cell phones to web-connected in-car navigation systems to web-connected refrigerators – the number of web-connected devices is skyrocketing. So maybe next year we will change it to E-Marketing (E as in electronic, implying that we will not just study the PC/Internet combination, but also other computing and communications devices).

Why is this course important? This course is key for today’s successful marketer. The Internet is more important than ever. The bursting of the dot-com bubble could make you think that the Internet itself was a fad. It isn’t - the Net’s biggest impact has been in the way that existing companies are utilizing it to market more effectively. Many of the concepts pioneered by the early dot-coms have become mainstream. Webvan may no longer be around, but you can now buy your groceries online from Albertsons and Safeway. Similarly, Napster is long gone too, but the studios have yet to figure out how to adopt to the new technologies and are now battling the “multiheaded hydars” called Morpheus and Kazaa.

Maybe one day this course will cease to exist when computers and communications become as mundane as the telephone. However, technology is still changing rapidly, and therefore the need for a separate course that examines how marketing can best utilize this new technology.

Course Projects: There will be two projects due for this course. The first one is an individual one. The latter project will be a team project.

A. Internet Shopping Project

The role of marketing is to make people buy things. Successful marketing will ultimately lead to a purchase transaction. Students need to experience Internet buying first-hand. I have made the purchasing experience a You will need to purchase the two books “Convergence Marketing” and Rafi’s “Internet Marketing” text book. Any combination of “Call, Click or Visit” will be allowed, as long as there is a click involved somewhere. Amazon.com will do just fine. Another example would be to buy the book at a local bookstore after using the bookstore’s web site for directions and/or inventory information. Part I of this assignment will be to describe the purchase transaction.

Please comment on the price of the books bought. Please also talk about the value of the goods received, if, for example you thought that you got value for money in your transaction.

Part II of the assignment will be to compare the web site used with an international, preferably non-english-speaking alternative. For example, if you choose to buy your book at www.amazon.com, you could compare Amazon.com with www.amazon.de.

Please limit your report describing your shopping experience to 3 written pages.

B. Group Internet Marketing Project

The web project is a very important portion of the class. You will need to set up groups of 2 - 4 students. Three types projects are possible, namely a topical marketing-related research paper, an e-marketing plan for an existing firm, or a dot-com startup marketing plan. All three are described in more detail below. In all three cases, a written report will be required, which will count 20% of your total grade. A class presentation of 30 minutes will count another 20% of the total grade. In order of my preference:
**Type 1: Research Report**
Your team will need to identify an important and current course-related, e-marketing topic to analyze. I am looking for particularly new and latest hot-off-the press “e” or “i” topics. The objective of the research project is to uncover something new, and present these findings in a meaningful and educational way to the rest of the class (and myself). Please consult with me before choosing a topic.

**Type 2: Marketing Consulting Project**
This project investigates the Internet presence and strategy of an existing company. Your task is to find a company "with a marketing problem", analyze it, and attempt to solve it through the better use of e-marketing. This should include specific suggestions, potential concepts, and presentation of best solution. This project would be useful for students that are considering a career in marketing.

**Type3: Startup Marketing Plan**
Starting a dot-com pure-play in this day and age is quite a challenge. Yet people still do it! In this type of project, your team is creating a new dot-com business based on a creative way of using the Internet or other technology for Marketing the firms products or services.

I will be posting grading rubrics on the book projects so that you can see what and how I will be grading your work.

**Class Participation and Cases**
A significant percentage of the final grade will be based on class participation. This is an elective, so I expect you to come to class prepared. That means having done all the reading and browsing, and to be prepared for the case analysis. I am looking for quality, not quantity contribution. Grading will therefore be based on appropriate participation. Appropriate contribution means saying something that is of benefit to the entire class. Students going off on tangents or holding monologues will be penalized for wasting time, so make sure your contribution is appropriate.

**Cases:**

We will be discussing a number of different cases in class. Case studies rely extensively on student interaction. Each group will lead the class in a case discussion.

**HBS cases to be used:** Webvan. Tivo. Staples. Autobytel. Subject to change.

**Grading:** 40% of the grade will be based on individual performance, group or teamwork will determine the 60%.

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Class Schedules:
Session 1: Monday, January 6, 2003
Session 2: Monday, January 13, 2003
**No class:** Monday January 20
Session 3: Friday January 24 (academic Monday)
Session 4: Monday January 31
Session 5: Monday February 3
Session 6: Monday February 10
**No class:** Monday February 17
Session 7: Friday January 21 (special make-up session for Monday March 9 class, to be confirmed)
Session 8: Monday February 24
Session 9: Monday March 2
**No Class:** Monday March 9
No Final exam.

Detailed Class Schedule

Some comments on the lectures:
1) All of our lectures are 3 hours long. That’s a long time for one person to talk. Too long. So the general structure for our sessions will be as follows:

   - First half I will do my lecture. We then take a break.
   - After that we will either do a case study, or have a guest speaker, or a combination of both.

2) Please note that we have to make do with only nine lectures, not with the usual ten. In addition, the last lecture will be taken up by group presentations. So the bad news is that we actually have to squeeze ten lectures worth of material into eight weeks. That means a lot of reading and browsing for every single lecture, including the first one. The good news is that there is no final exam for this course, and we will be done on March 2\textsuperscript{nd}, a week earlier!

Legend:
(CR) articles or cases in course reader.
(e) Articles stored electronically on the course website:
(www) Websites to take a look at
(H) Internet Marketing, by Ward Hanson. This is optional reading. A copy will be available for overnight checkout.

Note: there will be changes to the individual lectures. Updates to this schedule will also be published on the class web site.
PART 1: The Bigger Picture, Background and History

Session 1: Monday, January 6: Lessons learnt from the Internet and Telco bubbles.

Topics: Course overview, marketing project discussion. What is e-business, e-marketing. The bubble.

Please come well prepared for the first lecture – we have to hit the ground running. Case questions will be posted on the course web site. Please prepare the questions for this case individually. Future cases will be prepared by groups.

Readings:
Strategy and the Internet, Michael Porter, HBR R0103D March 2001 (CR).
WSJ articles on the bubble and Webvan (e)

Case:
Webvan. HBS 9-602-037 (CR).
Guest speaker: Meg Lloyd, previously with Webvan.


Topics: A thorough introduction to the Internet. Why the Internet is The Premise of 1:1 Marketing.

Readings:
Optional: Hanson, Chapters 2, 3 and 4: The DNI Framework (H)
WSJ articles on TiVo (e)

Case:
Tivo. HBS 9-501-038 and 9-502-062 (CR)

No class: Monday January 20

PART 2: The Four P’s of Marketing in a Hybrid World

Session 3: Friday January 24 (academic Monday): The First P: Product

Readings:
Rafi, Chapter 8: Product (IM)
Optional: Hanson, Chapter 7: Personalization (H)

Homework Exercise:
Pick a product that can be personalized. e.g. a new Ford Explorer from Ford.
Go to Ford.com and explore. Contrast the online personalization options with a trip to your
nearest Ford dealer. Do a bit of research how popular each option is.
Prepare a brief presentation for this session. Details to be posted on the course web site.

Session 4: Monday January 31: The second P: Place (aka. Pipeline/Distribution)


Readings:
Rafi, Chapter 12: Distribution (IM)
WSJ articles on Autobytel and Edmunds.com (e)

Case:
Autobytel HBS 9-500-015 (CR)

Session 5: Monday February 3: The third P: Price


Read:
Rafi, Chapter 9: Pricing (IM)
Optional: Hanson, Chapter 11: Pricing (H)
Leyland Pitt, Pierre Berthon, Richard T.Watson and Michael Ewing, Pricing Strategy and the
Net, Business Horizons 059. (CR)

Class Discussion:

Session 6: Monday February 10: The last P: Promotion/Communication

Topics covered: How to promote a product or service using a mixture of clicks and bricks.
Advertising. PR. Email-marketing.

Reading:
Rafi, Chapter 10: Communication (IM)
Optional: Hanson, Chapter 9: Traffic and Brand Building (H)

Class Discussion/Project:
TBD
No class: Monday February 17

**PART 3: Other e-Marketing Concepts:**
Session 7: Friday January 21: 1:1 Customer Retention.
Note this is a make-up session for Monday, March 9.

**Topics Covered:** 1:1 Marketing. CRM. eCRM.

**Reading:**
Rafi, Chapter 7: Customer Relationships (IM)

**Case:**
*Grey Worldwide, Strategic Repositioning Through CRM*, HKU165.

Session 8: Monday February 24: Customer Service and Support
Topics covered: Most companies today are using the web (or the cell phone) to increase customer service, lower support costs, or both.

**Reading:**
Optional: Hanson, Chapter 6: Customer Support and Quality (H)
Service on the Internet, The Effect of Physical Service on Scalability (to be handed out in class)

**Case:**
*Rosenbluth Travel and Biztravel.com*, HB 5-800-416 (CR).

**PART 4: Final Presentations**
**Session 9: Monday March 2**

Final Team Presentations

No Class: Monday March 9
No Final exam.

Some things we aren’t going to cover in this course, but that I urge you to explore on your own.

**Communities; Market Research and Privacy**
These topics are covered in our textbook. I will also post some additional articles online for you to explore.

Last but not least:

I have a great video to show: e-deams is a documentary that chronicles Kozmo.com, a now-defunct Internet start-up. We will set up a social evening to watch this documentary.