ISM UNIVERSITY OF MANAGEMENT AND ECONOMICS

CUSTOMER VALUE ANALYTICS

Course Code	*GRAV031*
Course Title	Customer Value Analytics
Type of Course	***Compulsory***
Level of Course	***Graduate***
Department in Charge	***Graduate School***
Year of Study	***1st***
Semester	***2nd***
Number of Credits	*6 ECTS; 40 hours of class work, 120 hours of self-study, 2 hours of consultations (group or online form)*
Lecturers	*- **Lecturer Kristina Maikštėnienė**, BSc & MSc (Applied Mathematics), MA (Financial Economics), MBA (Marketing and Strategy).*
Form of Studies	*Nine consecutive sessions (evening)*
Prerequisites	*Preferred: Marketing Management; Marketing Research*
Teaching Language	*English*

GOAL OF THE COURSE

Customer Value Analytics is about turning customer data into insights, into decisions, into business value. Overall, the course is designed to provide students with a foundation on how to measure and manage customer value to increase profitable growth - and how to raise company's customer value accountability to a higher level.

The relevance of any marketing organization depends on its ability to systematically manage customer value, and the best marketers aspire to make this happen. From a leadership vantage point, there's a lot riding on marketing's ability to make a shift from product orientation to market and customer value orientation, because reactive and purely tactical marketing doesn't exercise much impact.

This course covers some of the key ideas for customer value analysis and analytics. The approach taken throughout the course hinges on three questions:

1) What are the outcomes that the business needs to achieve to meet its goals?
2) What does senior management expect marketing to contribute towards these outcomes?
3) How will senior management know that marketing has made contribution?

LEARNING OUTCOMES OF THE COURSE

Upon completion of this course, successful students will:

Course learning outcomes (CLO)	Study methods	Assessment methods
CLO1. Analyse the importance of customer value analytics and how it can help improve the **measurement and management of marketing performance**.	Assigned reading and lectures	Participation in class discussion
CLO2. Practice key **customer value analytics concepts**.	Assigned reading and lectures	Quizzes, class participation and application assignments.
CLO3. Apply customer value analytics to a company and present customer value analytics and metrics in a management report, or in a form of a dashboard.	Illustrative case studies, lectures and group assignment	Participation and Company small group assignment.
CLO4. Identify the barriers to successful implementation of customer value analytics as well as the potential for improved performance and	Illustrative case studies, lectures and group assignment	Participation in class discussion.

profitability.		

QUALITY ASSURANCE MEASURES

The lecturers will apply multiple teaching methods to keep the students engaged in the topic. Continuous student feedback will be invited and accommodated to improve class experience. Students are encouraged to e-mail the lecturer between the respective classes for any assistance or clarification needed (Gedas Kučinskas gedkuc@faculty.ism.lt, Kristina Maikštėnienė: krimai@ism.lt).

CHEATING PREVENTION

Course will apply zero tolerance policy towards plagiarism, following the rules of the University.

COURSE CONTENT

CLASS	TOPIC	CLASS HOURS	ASSIGNMENTS[1] (due before each class unless noted otherwise; Case preparation is ALWAYS your first priority before each class!)
1	**Introduction to Customer Value Analytics. Lifetime customer value approach.** + Course project requirements. **Slide Deck**: Introduction to Customer Value Analytics.	4	**No advance reading required before the first class. After this class, please read**: • Hunsake, L. (2018). "Marketing's role in customer value growth" • Connor, M. „Understanding the "Elements of Value" for business-to-business brands"
2	**Back to key concepts: STP. Market sizing & segmenation.** **Slide Deck**: Back to basics: STP, Market sizing, segmentation	4	**Before this class, please read**: • WARC Best Practice (2018). What we know about segmentation. • Warc (2020). The WARC Guide to Making Segmentation Work.
3	**Rethinking Customer Value in Network Economy.** **Slide Deck**: Rethinking Customer Value in Network Economy.	4	**Before this class, please read**: • CASE: „Poppy: A Modern Village for Childcare".
4	**Managing Customer Value in Multisided Platforms.** **Slide Deck**: Managing Customer Value in Multisided Platforms.	4	**Before this class, please read**: • Zhu, F., Iansiti, M. (2019). "Why Some Platforms Thrive and Others Don't".
5	**Competitive Analytics & Business Strategy: competitive analysis and action, business strategy - scenarios, decision models and metrics.**	4	**Before this class, please read**: • WARC Trends (2018). Marketer's Toolkit 2019: Strategy, tech and media for the year ahead.

[1] Because the course deals with rather dynamic knowledge domain, certain proportion of the lecture and discussion material for the course may be replaced and/or delivered "just-in-time" (uploaded to e-learning or indicated for downloading from the Internet). Students should be committed to follow e-learning system and observe uploaded course material on a daily basis.

	Slide Deck: Competitive Analytics and Business.		• Jon Derome, Megan Lau and Robert Graves, ESOMAR (2018). Market Research – Connecting Data and Driving Lifetime Value.
6	**Developing valuable Product or Service. Analytics: application of conjoint, decision trees, attribute testing.** **Slide deck:** Product or Service analytics	4	**<u>Before</u> this class, please read**: • WARC Best Practice (2018). What we know about New Product Development (NPD).
7	**Sales value analytics: consumer sales process, sales metrics, profitability metrics.** **Slide deck:** Sales value analytics	4	**<u>Before</u> this class, please read**: • WARC Best Practice (2019). How can I predict the business impact of my marketing activity? • WARC Best Practice (2019). What we know about low-budget marketing.
8	**Price, Distribution and Promotion analytics. Promotion strategies and metrics.** **Slide deck:** Price, distribution, promotion.	4	**<u>Before</u> this class, please read**: • WARC Best Practice (2018). What we know about pricing strategies • WARC Best Practice (2018). What we know about private label brands • Nagle and Hogan (2011). Chapter 2. Economic Value Calculation.
9	**Analytics in action: dashboards, data, best cases + personal cases** **Slide deck:** Dashboard and tricks, Slide deck: Analytics in action.	4	**<u>Before</u> this class, please read**: • Frank van den Driest, Steven Berkhout and Meghna Jain (2017). How to build an insight-led organization. • ESOMAR (1999). The Evolution of Marketing.
Exam	**Class Presentations of Team Project "Launching new product/service Y in X market"**	4	**<u>Before</u> this class, please**: • Turn in 1-page Executive Summary (you will be given few more days to submit your interview transcripts). • Prepare team project PPT presentation (to be presented in class) Be prepared to thoroughly discuss your project.

ASSESSMENT METHODS

TASK	SELF-STUDY HOURS	GRADE WEIGHT
(1) In-class tests (covering Classes 1 to 8, administered at the beginning of Classes 2 to 9, respectively)	42	56
(2) Team Project "Launching new product/service Y in the market X", resulting in PPT presentation and 1-page Executive Summary, with appendices (short company interview transcripts).	82	44
TOTAL:	**124**	**100**

(1) IN-CLASS TESTS

These 15-minute tests will consist of ten true / false multiple-choice questions, plus one very short free answer question (grade weight: 8% per test, total 56% for all seven tests).
Each short test will cover the previous session's material, correspondingly (i.e., the first test will be administered at the beginning of Class 2 and will cover Class 1 material, while the last test will be administered at the beginning of Class 8 and will cover Class 7 material). All test questions will be based on the ideas discussed in class (course literature serving as a background).

(2) TEAM PROJECT: "Launching new product/service X in the Market Y"

From the first day on students will work in teams of 3 to 4 people on a short team project "Launching new product/service X in the Market Y". Each team will have to decide and develop service or product using customer value analytics and select a real market experts for their analysis. Teams will be formed during the first class. The instructor will provide guidelines for expert selection, and discuss data gathering format (it is suggested that each team interviews experts). During Class 10, each team will deliver a short PPT presentation showcasing the results of this project, which the other teams will discuss. By the end of the course, each team will also have to prepare a 1-page Executive Summary and submit their interview transcripts.

RETAKE

In case of unsatisfactory test grades, or in case of missed test, students will be allowed to make them up by writing learning reflections for the corresponding class (further information will be provided during Class 1).
Team project and group presentation cannot be rewritten but their evaluation is not annulled.

REQUIRED READINGS

Required text excerpts from the following (as well as some other) sources will be provided in PDF form:

1. Best, R. (2013). "Market-Based Management". Pearson Education, Inc.
2. Sorger, S. (2013). "Marketing Analytics: Strategic Models and Metrics". Admiral Press.
3. McDonald, M. and Dunbar, I. (2012). „Market Segmentation: How to Do it, How to Profit from it". John Wiley & Sons.
4. Farris, P.W. & Bendle, N.T. (2017). „Key Marketing Metrics: The 50 Metrics Every Manager Needs To Know". Wharton School Publishing, FT/Prentice Hall.
5. Jeffery, M. (2010). "Data-Driven Marketing". John Wiley and Sons.
6. Stanko, M. and Fleming, M. (2014). "Marketing Metrics".
7. Hunsake, L. (2018). "Marketing's role in customer value growth"

RECOMMENDED ADDITIONAL READINGS

- Kozielski, R. (2017). "Mastering Market Analytics: Business Metrics – Practice and Application". Emerald Publishing Limited. (Selected chapters)
- López Lubián, F.J. and Esteves, J. (2017). "Value in a Digital World: How to assess business models and measure value in a digital world". Palgrave Macmillan. (Selected chapters)
- Goncalves, A. (2017). "Social Media Analytics Strategy: Using Data to Optimize Business Performance". Apress. (Selected chapters)
- Kumar V. and W. J. Reinartz (2006), *Customer Relationship Management: A Databased Approach*, Wiley (p. 115-122, p.128-130, p. 131-135).
- Gupta S. and D. R. Lehmann (2005), *Managing Customers as Investments: The Strategic Value of Customers in the Long Run*, Wharton School Publishing (Chapters 1-4, Appendix A).
- Gupta S., D. R. Lehmann and J. A. Stuart (2004), "Valuing Customers", *Journal of Marketing Research*, 41 (February), 7-18.
- Fader P. S., B. G. S. Hardie and K. L. Lee (2005b), "RFM and CLV: Using Iso-Value Curves for Customer Base Analysis.

- ESOMAR, Asia Pacific, (2013). Lost in Translation: How Western (mis)conceptions of Asian markets impact market research.

Instructor may assign additional articles, publications, interviews and studies published by top scholarly and practitioner journals.

TEACHING METHODS

1. The course will consist of nine 180 minute (4-academic-hour) blocks, as per detailed timetable, taken up by lectures, discussions, quizzes, team presentations and guest visits.
2. Lectures will focus on conceptual and theoretical issues blended with examples and illustrations from actual business cases. Majority of meetings will follow an interactive format. Consequently, attendance and participation (questions/ comments/ criticisms) in class discussions will be critical to the success of the course.
3. The course is interactive and requires high level of involvement from the students during the class sessions. Students are expected to come to class well prepared. Unless otherwise noted, it is important to read the articles and /or cases before coming to class.

ADDITIONAL REMARKS

1. Proper classroom etiquette is expected at all times.
2. The class notes (slides) are the intellectual property of teaching instructor. Students may not distribute or duplicate these notes without instructor's written consent.
3. Any single assignment not completed will be assigned a grade of "0".
4. All assignments must be completed on time. No postponement and/or retake of the assigned tasks shall be allowed.
5. Failing grades from quizzes and team presentations shall not be calculated and will equal '0'.