

University of Illinois – Chicago

IDS518 / MKT 518: Electronic Marketing (26876)

Spring 2008 Course Syllabus

Instructor: J. Christopher Westland
Time and Venue: 06:00 to 08:30 p.m., Tuesday; LCE2
Text: Course Pack (excerpted from *Global Innovation Management*, Palgrave 2008; and *Global Electronic Commerce*, MIT Press, 2000)
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Course Description & Objective

The competitive landscape in e-business has changed dramatically over the past decade. New technologies and marketing channels have pushed competition into realms that are both incredibly complex, and incredibly profitable – more than any time in the past. Rates of return on successful Internet startups average over 50%, compared to those of traditional business that average in the range of 15%. Improved profits come with elevated risk – business and technological – that confront investors and managers with new challenges. Even when Internet marketing is successful, it may be difficult to figure out exactly why.

This course provides the student with a survey and case studies of successful Internet marketing models, their components, strategies and financial structure. Students who intend to develop their own Internet businesses and those planning on extending the Internet marketing of established firms will benefit from the material in this class. The course addresses the design of effective strategies given particular technological capabilities and competitive markets; and provides tools for the financial analysis that are essential for obtaining venture capital.

Evaluation

The course material builds your internet marketing skills cumulatively, and in consequence, it will be important for students to keep up with the material. Class participation is graded based on student participation in practicum and profile exercises. Additionally there will be a final examination that is cumulative. All students are expected to be prepared to discuss (i.e., to have read prior to class) all of the assigned material for that particular class. Each of these sets of material will have the following impact on final grade

Examinations	40% (20% each)
Projects	40% (20% each)
Class Participation	20%

Good luck! I hope you find the course enlightening and enjoyable.

Class Schedule

Each 2.5 hour class session will cover a particular topic in electronic marketing. Approximately 50% of class time will be allocated to presentation of concepts and key points; the other 50% will be spent on analysis of case studies, with action-oriented workouts to get you to think analytically about electronic market business models. Readings and practice exercises have been drawn from two of my textbooks – Global Electronic Commerce (Cambridge; MIT Press) and Global Innovation Management (London; Palgrave). In addition I will hand out a few of the case studies during the semester.

Week	Module	Topics	Readings & Practice
Internet Marketing Strategies (27122) Meets 14-Jan-08 to 07-Mar-08			
15-Jan-08	Assessing the Potential of an Internet Business Model	<p>The mystery of demand</p> <p>Exploring potential demand for an innovation</p> <p>Quizzing</p> <p>Walking through the customer experience</p> <p>The feature map</p> <p>Creative tension</p>	<p>Chapter 3 (GIM, Westland)</p> <p>Innovation Workout: Mind maps</p>
22-Jan-08	Business to Consumer Marketing	<p>Service innovation</p> <p>Defining 'services'</p> <p>Financial services</p> <p>Logistics and supply-chain operations</p> <p>Consumer education, warranty and aftermarket services</p>	<p>Chapter 6 (GIM, Westland)</p> <p>Case studies:</p> <ol style="list-style-type: none"> 1. Amazon's identity crisis 2. Dell's War on Inventory
29-Jan-08	Auction Markets	<p>Simple auctions</p> <p>Stock Exchange Strategy (Double Auctions)</p> <p>What the Internet can learn from Stock Exchanges</p> <p>What Exchanges have learned from Internet trading</p>	<p>Auction Markets (GEC, Westland)</p> <p>Case Studies:</p> <ol style="list-style-type: none"> 1. The Shanghai Stock Exchange 2. The Moscow Stock Exchange 3. Electronic Auctions in the Dutch Flower Industry 4. E*Trade
5-Feb-08	Examination (beginning of class)		

5-Feb-08	Marketing through Search and Social Network	<p>Network effects</p> <p>Standards, lock-in and critical mass</p> <p>Social networks in the city</p> <p>Brands and reputation</p> <p>Workout: Inductive reasoning in brand development</p>	<p>Chapter 10 (GIM, Westland)</p> <p>Case studies (handouts):</p> <ol style="list-style-type: none"> 1. Google's Strategy (AdSense / AdWord / PageRank) 2. Yahoo's Strategy under Terry Semel
12-Feb-08	Web 2.0 and beyond	<p>Innovation for marketability: features, constraints and figures of merit</p> <p>The long tail</p> <p>Value drivers in network economics</p>	<p>Chapter 2 (GIM, Westland)</p> <p>Case studies:</p> <ol style="list-style-type: none"> 1. DoubleClick's Strategy 2. MySpace's / Facebook's Strategy 3. Craigslist's Network
19-Feb-08	Marketing on Mobile Networks	<p>The Roles of 'Location'</p> <p>Global Platforms for Mobile Internet Marketing</p>	<p>Case Study: Google Earth's Mobile Business Model (handout)</p>
26-Feb-08	Society and Technology	<p>Technology's role in economics</p> <p>Categories of research expenditure</p> <p>Technology, talent and tolerance</p>	<p>Chapter 13 (GIM, Westland)</p> <p>Case Study: Mondex Electronic Cash in Hong Kong (GEC, Westland)</p>

4-Mar-08	Project Competition	Design a new Internet business 1. The 'Framing' challenge: What is the customer's motivation to spend? 2. The 'Venture Capital' challenge: 'Proof' of profitability	
Financial Models for Internet Marketing (27123) Meets 10-Mar-08 to 02-May-08			
11-Mar-08	The Components of Profitable Innovation in the Internet Market	The importance of Complementarities and Networks	Case study: Apple's {iTunes+iPod} Strategy (GIM , Westland)
18-Mar-08	Business Models	Value generation Value maps 'Narrative' & 'Numbers' Attribute Maps of Businesses Consumption Chains Reengineering Consumption for Profitability	Chapter 4 (GIM , Westland) Morphological boxes Case studies: 1. Mad Catz 2. Amazon 3. Dell
18-Mar-08	Activity-based Financial Models	Two markets Financial analysis for technology Strategy drivers and figures of merit <ul style="list-style-type: none"> • ROI figure of merit • profit figure of merit • sales revenue figure of merit 	Chapter 11 (GIM , Westland)
March 24-28	Spring Break		
1-Apr-08	Activity-based Financial Models	Strategy models Behavioral model Forecast model Scenario analysis and decision trees Monte Carlo simulations Real options Discount model & Terminal dividend	Innovation Workout: Scenario analysis (Chapter 11, GIM , Westland) Case study: Behavioral and strategy models for valuing eBay's business (Chapter 11, GIM , Westland)

8-Mar-08	Examination (beginning of class)		
15-Apr-08	Competitor Influences on Profit	<p>Entrance Strategies</p> <p>Assessing the competitive terrain</p> <p>Analyzing your current business portfolio</p> <p>Competitive options</p> <p>When to use options strategies</p> <p>A discovery-driven entrance strategy</p> <p>Lead-steer customers 160</p> <p>Competitive response</p> <p>First-mover advantage</p>	<p>Chapter 8 (GIM, Westland)</p> <p>Innovation Workout: Force-field analysis</p>
22-Apr-08 29-Apr-08	Project Competition	<p>Design a new Internet business</p> <ol style="list-style-type: none"> 1. The 'Framing' challenge: What is the customer's motivation to spend? 2. The 'Venture Capital' challenge: 'Proof' of profitability 3. The 'Communication' challenge: Describe your business in 5 minutes or less; then take another 10 minutes to explain why anyone would be foolish not to invest in it. 	
Course Wrap-up			