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	*James Reardon, PhD, Professor Monfort College of Business* *James.reardon@unco.edu*
Form of Studies	*Nine sessions (evening 18:00-21:15)*
Prerequisites	*Preferred: Marketing Management; Marketing Research*
Teaching Language	*English*
Required Reading:	Bendle, Farris, Pfeifer and Reibstein (2021). <u>Marketing Metrics</u>, 4th edition, Pearson Publishing https://www.pearson.com/en-us/subject-catalog/p/marketing-metrics/P200000000122?view=educator&tab=table-of-contents Feel free to use the 3rd edition as it is easily available
Software Download	Students are expected to download and register for Tableau Software before class begins https://www.tableau.com/academic/students

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 a 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. Understand 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. Understand how to use and apply key **customer value analytics concepts**.	Assigned reading and lectures	Quizzes, class participation and application assignments.
CLO3. Learn to 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. Understand the barriers to successful implementation of customer value analytics as well as the potential for improved performance and profitability	Illustrative case studies, lectures and group assignment	Participation in class discussion.

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.

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

COURSE CONTENT

CLASS	TOPIC	CLASS HOURS	SLIDE DECKS	ASSIGNMENTS[1] (due <u>before</u> each class unless noted otherwise; Case preparation is ALWAYS your first priority <u>before</u> each class!)
1 (20/05) (Mon)	Introduction to Analytics for Marketing Decisions Formulating Strategy/Goals -> KPI -> Data Visualization -> Processing Moving along the path from Data to information to decisions	4	**Introduction** **Developing KPI** **Tableau Intro**	**No advance reading required before the first class. <u>After</u> this class, please read**: Farris et al Ch 1 and Ch 3 Introduction to Tableau and data visualization
2 (22/05) (Wed)	Why does it matter? How decisions affect the bottom line Marginal Changes in Expenses,	4	**Why does it all Matter: An introduction to customer metrics Tableau**	<u>**Before**</u> **this class, please read**: Farris et al Ch 3

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[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.

	COGS, Price and Volume Strategic profit Model/Contingency Analysis/Profit Margin Accelerators		**Worksheet Construction**	
3 (23/05) (Thu)	Customer Satisfaction and profitability Market share and penetration Competitor analysis Customer beliefs, likability, satisfaction and NPS Loyalty metrics and programs Lifetime Value, whale curves, and cost to serve	4	**Customer Valuation** **Tableau 1**	**Before** this class, please read: Ferris et al Ch 2, 4 and 5 Using Tableau to visualize lifetime value and the whale curve.
4 (27/05) (Mon)	Price Optimization Cost and competitive pricing models Price elasticity and market prices Price Strategies and price discrimination (WTP) Markdown optimization models (sell through)	4	**Pricing**	<mark>Assignment 1 Due at beginning of class</mark> <mark>Quiz 1 – Covers material from first three classes</mark> **Before** this class, please read: Ferris et al Ch 8
5 (28/05) (Tue)	Salesforce and Channel Management Sales funnel, Acquisition, churn Sales trends and forecasting methods Salesperson effectiveness Inventory management – Stockouts, GMROII, category performance	4	Sales Tableau Trend and Regression	**Before** this class, please read: Ferris et al Ch 6 and7
6 (30/05) (Thu)	Promotion, Advertising and Sponsorship Baseline and sales lift Promotions/Coupons and redemption Price waterfall Impressions/GRP and cost of	4	Promotions Tableau Dates	<mark>Assignment 2 Due at beginning of class</mark> **Before** this class, please read: Ferris et al Ch 9 and 10 Using trend lines (regression) to visualize effects of promotions

	audience PRFM			
7 (06/06) (Mon)	Analytics in Digital Marketing Google analytics suite Interactions, views, click through, customer acquisition costs. Abandonment, bounce rate, Conversions and costs	4	Introduction to Digital Analytics	<mark>Assignment 3 Due at beginning of class</mark> <mark>Quiz 2 – Covers material from classes 4-6</mark> **Before** this class, please read: Ferris et al Ch 11 Google Analytics
8 (04/06) (Tue)	Resource Allocation and budgeting Project budgeting models Historical budgeting Marginal budgeting models and ROI Break even analysis (unit, customer, product) Merchandise Budgets (PP, OTB).	4	Budgeting	TBA
9 (07/06) (Fri)	New Project Identification GAP analysis Consumer attribute evaluation using partworths Strategies and Tactics for marginal changes	4	Segmentation	<mark>Assignment 4 Due at beginning of class</mark>
10	Final Exam			

ASSESSMENT METHODS

TASK	SELF-STUDY HOURS	GRADE WEIGHT
(1) In-class exams (at the beginning of Classes 4 and 7)	24	20%
(2) Assignments - Tableau	50	40%
(3) Final Exam	50	40%
TOTAL:	**124**	**100**

(1) IN-CLASS QUIZZES

These 15-minute tests will consist of ten true / false multiple-choice questions, plus one very short free answer question (grade weight: 10% per test, total 20% for both 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) Assignments – Tableau

You will have to create three dashboards from data provided by the professor. If you have access to company data and wish to complete the assignments from that, please let the professor know well before the assignments are due so that I can look at the data. All assignments need to be submitted as a .TWBX (packaged workbook file) – NOT as a TWB file (I will not be able to read these).

(3) Final Exam –

the final exam will be mostly multiple choice with a few short answer questions. It will expect you to know both the major metric construction as well as be able to interpret the meaning behind them.

RETAKE

In case of unsatisfactory test grades, or in case of missed test, students will be allowed to make them up by retaking the final exam. Assignments cannot be rewritten and their evaluation is not annulled.

RECOMMENDED ADDITIONAL READINGS

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

- 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

UNIVERSITY OF MANAGEMENT
AND ECONOMICS

APPROVED BY
THE STUDY COMMISSION
Minutes No. 02-12-2024-01
as of 10th January 2024

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. 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 assignments shall not be calculated and will equal '0'.