



APPLIES TO ACADEMIC YEAR 2008/2009

GRA 6435 Marketing Finance

Program

Advanced Specialization Course (MSc), Master of Science in Business and Economics (Marketing), Master of Science in Marketing

Responsible for the course

Tor W Andreassen

Department

Department of Marketing

Term

According to study plan

ECTS Credits

6

Language of instruction

English

The CEO's mandate is to increase the firm value to the benefit of owners, society, and other stakeholders. Within the boundaries of finite budgets this is an issue of allocating scarce resources to where the highest return can be gained. Marketing is the function most exposed to the revenue side of the firm, and we witness an increased emphasis on ensuring return on marketing investments. With this, customers should be viewed as assets representing the firm's future cash flow! The objective of this course is hence to expose our graduate students to the new role of marketing and the financial impacts of various marketing decisions on firm value. This is an ideal course for analytical and decision-oriented students who want a thorough understanding of marketing investments' impact on firm value through customer equity from a CEO's perspective.

Learning outcome

The learning outcome of this course is twofold. First, the student will get through understanding of issues pertaining to customer equity management. Second the students acquire skills to model customer life time value.

Prerequisites

Marketing students must have covered at least two of the following courses: GRA 6023 Research Methodology, GRA 6020 Multivariate Data Analysis, strategic marketing management, GRA 6419 Service Marketing, or GRA 6425 Marketing Channel Management. The course is open to graduate finance students who have covered courses in marketing management and multivariate analyses.

Compulsory literature

Books:

Best, Roger J.. 2008. Market-based management : Strategies for growing customer value and profitability. 5th ed. Upper Saddle River, N.J.: Pearsons/Prentice Hall
Gupta, Sunil & Donal R. Lehmann. 2005. Managing customers as investments: The strategic value of customers in the long run. Upper Saddle River: Wharton School Publishing. Chapters 1-4

Collection of articles:

A collection of scientific articles from journals as Journal of Marketing, Journal of Marketing Research, Marketing Science, Quantitative Marketing and Economics, Journal of Research in Management

Recommended literature

Books:

Andreassen, Tor W.. 2006. Kunderelasjoner: Markedsføringens økonomiske ansvar. Oslo: Universitetsforlaget
Johnson, Michael D. & Anders Gustafsson. 2000. Improving customer satisfaction, loyalty, and profit: An integrated measurement and management system. San Francisco: Jossey-Bass
Lehmann, Donald R & David J. Reibstein. 2006. Marketing metrics and financial performance.

Cambridge, Mass.: Marketing Science Institute
Rust, Roland T., Katherine N. Lemon & Das Narayandas. 2004. Customer equity management. Upper Saddle River, N.J. : Pearson Education/Prentice Hall

Course outline

The advanced graduate course Marketing Finance is founded on three pillars: marketing theory, applied statistics, and investment theory from finance. The objective is to integrate these three disciplines into a framework allowing participants to perform data driven decisions illuminating the consequences of different marketing investments before and after they were made. Broad management areas within marketing will be covered, e.g. branding, operations, relationship management, and performance measurement. The course will consist of a combination of lectures, case discussions and hands on exercises.

Computer-based tools

Course structure

The course will be a combination of lectures, case discussions, and hands on exercises. Lectures will explore various relevant topics in order to build a solid theoretical foundation. Case discussions are included in order to advance students' ability to structure, analyze, and argue solutions based on relevant marketing theory and sound financial implications. Hands on assignments will be allocated with an aim to move students from an intuitive understanding towards practical experience.

Section # 1: Marketing theory

Marketing topics of relevance to financial performance
Customer focus and managing customer loyalty
Marketing performance and marketing profitability
Market potential, market demand and market share
Customer analysis and value creation
Market segmentation and customer relationship marketing
Offensive and defensive strategies

Section # 2: What and how to measure

Statistical topics of relevance to advanced data driven decisions.
Developing models measuring quality, satisfaction, and loyalty

Section # 3: Return on marketing

Market-based management topics linking theory to performance
Customer Equity Management
Performance metrics and strategy implementation
Market-based management and financial performance

Students working on assignments developing decision support models.

Evaluation

Class participation 20% (individual)
Mid-term exam: 20% (individual)
Student project 30% (groups)
Final exam (4 hours) 30% (individual)

Evaluation code(s)

GRA 64351 counts for 100% of the final grade

Aids at the examination

A bilingual dictionary and BI-approved exam calculator. Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary. <http://www.bi.edu/studenthandbook/exam aids>

Makeup exam

Re-takes are only possible at the next time a course will be held. When the course evaluation has a separate exam code for each part of the evaluation it is possible to retake parts of the evaluation. Otherwise, the whole course must be re-evaluated when a student wants to retake an exam. Retake examinations entail an extra examination fee.

Honor Code

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the

faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academy integrity. If you have any questions about your responsibilities under the honor code, please ask.