



APPLIES TO ACADEMIC YEAR 2010/2011

## GRA 6435 Marketing Finance

### Programme

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

### Responsible for the course

### Department

Department of Marketing

### Term

According to study plan

### ECTS Credits

6

### Language of instruction

English

### Introduction

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

Bachelors degree qualifying for admission to the MSc programme.

The course is open to graduate finance students who have covered courses in marketing management and multivariate analyses.

### Compulsory reading

#### Books:

Best, Roger J. 2009. Market-based management : strategies for growing customer value and profitability. 5th ed. Upper Saddle River, N.J. : Pearson/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

#### Other:

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.

### Recommended reading

#### Books:

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**

It's learning

### **Learning process and workload**

A course of 6 ECTS credits corresponds to a workload of 160-180 hours.

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.

Please note that it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

### **Examination**

Class participation 20% (individual)  
Hand-in assignment (mid term) 20% (individual)  
Student project 30% (groups)  
Final exam (4 hours) 30% (individual)

Specific information regarding student evaluation beyond the information given in the course description will be provided in class. This information may be relevant for requirements for term papers or other hand-ins, and/or where class participation can be one of several elements of the overall evaluation.

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course. You will find detailed information about the point system and the cut off points with reference to the letter grades on the course site in It's learning.

**Examination code(s)**

GRA 64351 counts for 100% of the final grade

**Examination support materials**

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/examaids>

**Re-sit examination**

It is only possible to retake an examination when the course is next taught.

The assessment in some courses is based on more than one exam code.

Where this is the case, you may retake only the assessed components of one of these exam codes.

Where this is not the case, all of the assessed components of the course must be retaken.

All retaken examinations will incur an additional fee.

**Additional information****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 academic integrity. If you have any questions about your responsibilities under the honor code, please ask.