Course Description

The aim of this course is to discuss the process by which innovations grow via an exchange process: the innovation adopters get value, and in return provide value. Our discussion follows the customer profit chain – from determining the target market and positioning, to the understanding of the value perceived by customers, the growth of markets for new products, and up to the creation of customer equity - a stream of users, each with a certain lifetime value.

Course Goals
The issues we discuss are widespread and are often covered in multiple courses, largely under the Marketing academic discipline. Given the time limitation we will restrict ourselves to a number of issues that can help us to capture the fundamental language, thinking, and tools used in this regard. The examples we will use come from a wide range of markets, yet we will aim to provide particular examples and discussions of healthcare applications.

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**Grading**

**Assignments and grading**

There are three types of assignments in this course:

**Individual level short assignment 5%** "Clueing in Customers" article. Due March 16 by 17:00.

The aim of this assignment is to help stimulate a discussion in class. This relatively short piece to read and we expect short answer (about one page). The assignment will receive a Pass/Fail grade only (thus Pass gets the 5%) and will not be given back.

Although we will not dive into these submissions grade-wise (if it passes a minimal threshold of relevance), if there is a considerable difference between the grade of the final assignment and the rest of the grades, in particular participation, we may re-read your answer in more depth. In such cases, good answers can help to somehow increase the final grade.

**Group cases.**

*Eli Lilly: Developing Cymbalta (full case).* Groups of three. **45%** To be submitted March 30 by 17:00.

*Escaping the Discount Trap (short case).* In pairs. **20%**. To be submitted April 20 by 17:00.

**Final assignment.**

An individual level case analysis. Due on May 19th. **30%**. TBA.
All assignments will be submitted via the course Moodle web site (by one of the group if it is not individual level) a day before the class, at 17:00. For any assignment and submission question, please contact the teaching assistant Yael Shani-Feinstein.

As an alternative to the individual case final assignment we can consider a project that will apply course material to an organization or a situation you are a part of. For the latter, you need to consult and get approval from the instructor prior to the last class.

**Class Participation** (up to 25%)

The course has an attendance request of 5 out of 6 meetings. Non-attendance of three meetings will preclude a final grade.

The issues we deal with typically lead to lively discussions in class. I value these discussions much and hope that the discussion will take advantage of the experience of class members who have customer management experience, as well as on everybody’s experience as consumers and business-oriented individuals. For most people, class participation will not change the grade and it will stay with the regular distribution. Class participation will kick in in one of two cases (hopefully only the first). One is as an extra bonus of notable class contribution. The other is to take into account participation issues and distractions such as repeated late entry.

**Course tentative schedule:**

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<thead>
<tr>
<th>Class</th>
<th>Day</th>
<th>Date</th>
<th>Topic</th>
<th>Readings</th>
<th>Remarks</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Tuesday</td>
<td>3.3.20</td>
<td>Introduction. Value to the customer</td>
<td>1,2</td>
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<tr>
<td>2</td>
<td>Friday</td>
<td>6.3.20</td>
<td>Value to customer / Acquisition</td>
<td>3,4</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Tuesday</td>
<td>17.3.20</td>
<td>Customer Acquisition</td>
<td>5,6</td>
<td>Individual assignment: Clueing in customers</td>
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<tr>
<td>4</td>
<td>Tuesday</td>
<td>31.3.20</td>
<td>Segmentation, Targeting Positioning</td>
<td>7,8</td>
<td>Case Cymbalta</td>
</tr>
<tr>
<td>5</td>
<td>Tuesday</td>
<td>21.4.20</td>
<td>Customer Lifetime Value</td>
<td>9</td>
<td>Pair case: Escaping the Discount Trap</td>
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<td>6</td>
<td>Sunday</td>
<td>26.4.20</td>
<td>Customer Retention. Conclusion</td>
<td>10</td>
<td>Individual assignment (up to 19.5)</td>
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**Lecturer Office Hours**

**Office:** Martsim 13 pavilion, **Office Hours:** By email appointment

**Phone:** 09-9602407  **Email:** libai@idc.ac.il

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**Teaching Assistant**

**Teaching Assistant:** Yael Shani Feinstein  **email:** shaniyae@gmail.com  **Office Hours:** By email appointment

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**Additional Notes**

**Honor Code**

In order to keep the integrity of the course, you are asked not to discuss the homework assignments outside your work groups. Unless explicitly asked otherwise, beyond the case itself and class materials, you may not use any material from any other source, within or outside this course, including, of course, any Internet site.

I expect a professional atmosphere in class. This includes, but is not limited to, using respectful comments and humor, utilizing computers and technology suitably (e.g., silencing wireless devices, **no Internet surfing in class**), and refraining from distracting or disrespectful activities (e.g., avoiding side conversations).

If students are late for class due to unexpected circumstances, they are asked to enter ONLY 15 minutes after class starts, or in the recess afterwards. If they need to leave early, they should do it after informing the teacher in advance, or during the recess.
Reading List

Readings

The reading list includes two types of material. One is a set of Harvard Business School notes, which summarize some of the fundamental Marketing issue we touch. They elaborate more than we can in class, provide examples, and discuss some other issues.

The other are articles which are related to our class material. These are mostly managerial oriented articles.

All material will be available at the Moodle web site. Note that the use of Harvard material is limited to course related use.

Readings

Cases.

- Eric T. Anderson (2013), Escaping the Discount Trap
- Elie Ofek and Ron Laufer (2006), Eli Lilly: Developing Cymbalta