Sociology 358 – Markets and Marketing Spring 2014
Professor Reeves
Class meets Monday evening – 6:15-8:45
Location: Old Chem. Rm. 116

Office: Gross Hall, office suite 110
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Email: mreeves@duke.edu
Office Hours: By appointment. I am at Duke most days so please email me for an appointment and we will work out a time convenient for both of us.
Teaching Assistant: Scott Briggs

Required materials:

Books available through the Regulator Bookshop on 9th Street

Selected readings through the library database or on Sakai. See individual dates on syllabus.
Purchase the following Harvard Business Review Case: it can be assessed online
Ikea Invades America, product # 9-504-094
To access these cases go to https://cb.hbsp.harvard.edu/cbmp/access/23192995

Goals:

This course will investigate how economic activities and institutions are shaped by social forces. Understanding how the economy is socially constructed provides insights into topics such as labor practices, consumer and seller behavior, advertising, product development and the global marketplace. We will:

1.) Define markets and marketing in sociological terms.
2.) Investigate arguments about the origins of markets and marketing.
3.) Explore the “embeddedness” of markets
4.) Investigate what managers and firms do in terms of a sociological definition of marketing, particularly with respect to labor and product markets.
5.) Examine marketing of products and services including marketing strategy, product development, targeting and positioning, and global marketing.
6.) Apply our knowledge from the business press and from selected contemporary cases.
7.) Creatively apply marketing concepts to a final project.
Requirements:

Your final grade is determined by four components:
- a midterm exam (30%),
- an individual paper on a shopping experience (20%)
- class participation and Harvard case assignments (20%)
- a project – conducted as a team assignment. 30% - see description below).

Assignments:

Marketing Team Project: See Sakai under Assignments

Harvard Cases: We will discuss 2 cases during class. Before class, you will turn in 3 powerpoint slides; the first will outline the Situation of the Case, the second will highlight any Quantitative Analysis for the case, and the third will highlight your Solution or Recommendations. The grading for these slides will be 75% (satisfactory); 85 (good), 95 (excellent). These assignments will be part of your participation grade.

Participation:

This course only meets once a week so I do require attendance.
It is imperative that you read the assigned materials in advance of our discussion.

ABSOLUTELY NO COMPUTERS OPEN DURING CLASS. (UNLESS WE ARE WORKING ON SOMETHING ON THE WEB) TURN OFF CELL PHONES

I expect your full compliance with the Duke Honor Code with respect to all exams and assignments. For more information on the Honor Code, consult: http://www.duke.edu/web/HonorCouncil/resources.htm.

Course Outline:

Sociological Conceptions of the Market

Jan. 8

Topic and Reading
Introduction to the course
The sociology of markets: definitions, types and processes

A Critique of Economic Models and Institutional Views
Think about these questions… Is marriage a type of market? Is the labor market a special kind of market?

Description of the Project for the Course

Jan. 13
Reinventing the Bazaar, Chapters 1-13

Jan 20
MLK Day – No class

Jan. 27
Chapter 10 from The Status Seekers, Vance Packard – available on Sakai (read this before the other article)
Status, Institutional and Transaction Cost Views of Markets

Status Exercise: In groups


Think about these questions – How does our political system function like a market? How is it different from a market? If it does not function like a market, why? How is the political system involved in financial decisions? (be specific here)

Feb. 3


TED talk – we will view it in class

Networks Exercise in Class

Come to class with examples of versioning (product line pricing) and examples of “lock in”. What do you think the next standard wars will be about?
Markets and Strategy

Feb. 10  Discussions from the contemporary business press. I will give individual assignments to read: The WSJ, Business Week, the New York Times, and the Economist. As you read your selection, think about how the articles relate to topics in this course. (small groups)


Feb. 17  Midterm (first half)

When Markets Don’t Work Smoothly: The Five Market Failures
The Five Market Failures:
Monopoly; Asymmetry of information; Public Goods, Intellectual Property, and Externalities.

Feb. 24  “Noxious, Offensive Markets”
Excerpts from Satz, D. Why Some Things Should Not Be For Sale. (on sakai)

Excerpt from Carney,S. The Red Market…The Bone Factory. (on Sakai)

When Markets Don’t Work Smoothly:
Contemporary Marketing

March 3
What is a Marketing Strategy? – Different Frameworks for Understanding Marketing Strategy
How do Advertising Agencies work? (lecture and discussion)

“Customer Intimacy and Other Value Disciplines”, Treacy and Wiersema, Harvard Business Review, Jan.-Feb. 1993. (see questions at end of syllabus) (article available through library database). Bring in examples of companies (not those in the article) of that use these disciplines

Marketing Strategy (con.) – Group Activity – What Are These Companies’ Market Strategies?

March 7 – March 16  Spring Break

March 17
Market Segmentation, Targeting and Positioning
Complete the VALS questionnaire and come to class prepared to discuss your placement and your preferences. It is available on www.sric-bi.com/VALS/presurvey.shtml
Read: Ikea Invades America, HBR Case Study, Product # 9-504-094
Segmenting for Hi Tech. Products
Read: Crossing The Chasm by Geoffrey Moore

March 24
Discussion of the book, Why We Buy / In class discussion of shopping papers – papers in hard copy due during class.

Marketing Communications: Guest Speaker –Ellen Steinberg - Creative Director - McKinney Agency – “What is a Big Idea?”

March 31
Marketing Campaigns that Work
Discussion of the book: Juicing the Orange

Guest Speaker - WRAL Kevin Kolbe
April 7  Global Marketing

April 14  Guest speaker: Will Wiseman, Executive Vice President, from the marketing communications firm UM.

April 21  Guest speaker: Digital Marketing
Group Presentations

April 18  Group Projects – Presentations

April 23  Group Projects – Presentations

No Final Exam

As you read the HBR cases, think about these questions:

Customer Intimacy and Other Value Disciplines:

1. Give examples of companies that you think follow the three disciplines – customer intimacy, operational excellence, or product leadership.
2. Why is the choice of discipline and the choice of customer one and the same choice?

Ikea:

1. What factors account for Ikea’s success?
2. What do you think of the company’s product strategy and product range? Do you agree with the matrix approach described in Figure B of the case?
3. Are their downsides to shopping at Ikea?
4. Ikea plans on rapid expansion in the US. How would you improve its value proposition here?
5. If you were to change the company’s product lineup, what would you do differently? What should its product look like in 10 years?
6. Some industry observers have suggested that IKEA should open up a number of smaller, satellite stores across the US. (called Ikea Lite shops)…offering smaller purchases. What do you think of this idea?

Additional Reading – Not required
On neo-classical approaches:

On technology:

On institutional approaches: (macroscopic, economic, global)

On firms, managers, and marketing:

Journals of interest in M & M resource room (rm. 258 Soc./Psych.)
- Advertising Research
- American Demographics
- Business Week
- The Economist
- Harvard Business Review
- Journal of Marketing Research
- Journal of Marketing
- Wall Street Journal
- Advertising Age