



Yale SCHOOL OF MANAGEMENT

Entrepreneurial Marketing Yale School of Management

MGT 858

Entrepreneurial Marketing

Fall 2 2017

Evans Hall, 4200

Tuesday 1-4pm

Course Support: Shannon Casanova somfacultysupport@yale.edu

CONTACT INFORMATION

Professor	TA
Grant Son Evans Hall, 5527 Grant.Son@yale.edu Office Hours: By appointment (via email) on Tuesdays from 10:30am to 12:30pm	Name: James Guba E-mail Address: james.guba@yale.edu

COURSE MATERIALS

Textbook(s): No text book required

Readings: See detailed outline in class sessions

Software: None

COURSE DESCRIPTION AND OBJECTIVES

Course Description

Course is designed for students interested in marketing and have a personal or professional interest in entrepreneurship, launching a startup venture, starting a business, taking on a marketing job in an entrepreneurial company of any size or expect to join a venture capital firm, private equity firm, consulting firm or another entity that evaluates and seeks to improve the go-to-market activities of new ventures.

This course focuses on the strategies and methods used by early-stage companies to acquire customers (through outbound, inbound or social media marketing) and to activate them with a focus on customer acquisition cost and lifetime value analysis. This course will focus mainly on digital marketing channels, and the emphasis will be more B2C than B2B.

Course Objectives

The objective of the course is to develop frameworks and conceptual tools for students to explore new venture opportunities, understand the business model of startups, analyze problems to develop the optimal marketing strategy for products and services in a digital-first world. We will explore marketing themes such as experimenting in the entrepreneurial venture and selling and marketing in the entrepreneurial venture with a focus on digital marketing and customer management. Course will also

explore growth hacking, the modern set of marketing techniques that combine the culture and approach of hacking; finding creative approaches to solving hard problems as well as viral marketing and the use of social influencers.

Upon completion of this course, students will be able to:

- Understand key marketing concepts and their application in the entrepreneurial world and digital marketing
- Apply frameworks towards evaluating digital marketing programs
- Develop and present a marketing plan for an entrepreneurial venture

COURSE REQUIREMENTS

Assignments due before each session	50%
Class participation	30%
Final Presentations: small groups presentation given in the last scheduled class	20%

Please see the Yale SOM Grading Policy at <http://portal.som.yale.edu/page/grading-policy>

DESCRIPTION OF ASSIGNMENTS/PROJECTS/PROBLEM SETS

Case/Class Discussion Assignments & Final Project as a Small Group

- Students will work in groups of up to four to prepare a brief write-up due before the start of each class covering the case study or class material to be discussed in the next session. Questions may include a quantitative analysis of the problem facing the decision-maker in the case.
- Although the write-ups should be short, come to class prepared to discuss the analyses that you used to answer these questions in detail. While this is a group assignment, each student is responsible, in-class, to be prepared to address these and other questions.

Class Participation

- Attendance will be taken at each class. Class participation is scored for each student for each class.

Final Presentation

Eight-minute presentation (+two minutes Q&A) given in the last class. Group project.

Seven to 10 slides:

- 2 sentence pitch (10 points)
- Market: Assess market size (10 points)
- Identify business problem & marketing solution (10 points)
- Business model (20 points) use Business Model Canvas

Go-to-Market Plan

- Inbound, outbound and social media strategy (20 points)
- Minimum Viable Product and market trial (20 points)
- Overall: Originality and viability (10 points)

Instructor: Grant Son

Grant Son grew a startup venture into a top 10 sports website acquired by ESPN. Professional experience includes serving as CEO of two digital ventures – SchoolSports and Greater Good Ventures – as well as launching new ventures within established companies such as the NFL, Sports Illustrated and CBS.

- Thirty years of experience, including twenty years in digital media. Board member and advisor to established companies and more than 20 startup ventures.
- Lecturer of Sports Marketing, Yale School of Management, spring & fall 2017.
- Adjunct Professor at Columbia Business School, Sports Marketing, spring 2016 and Lecturer at Columbia University, Entrepreneurship, summer & fall 2016, summer & fall 2017.
- MBA in finance from Columbia with honors and BA from the University of Pennsylvania.
- Retained by Cornell University to serve as Venture Consultant to startups out of Cornell and Cornell Tech since 2016.
- Currently serving or recently served as Entrepreneur in Residence and mentor at Columbia Business School, Wharton School, Johns Hopkins, and Princeton University. Recently served as judge for business plan competitions at Cornell and Columbia.

YALE SOM POLICIES

Please see the Yale School of Management Bulletin at <http://www.yale.edu/printer/bulletin/htmlfiles/som/rights-and-responsibilities-of-students.html> for Rights and Responsibilities of students and for information on requesting a course recording.

Laptop/Device Policy

Usage not allowed without the express permission of the instructor.

	Overview
1. October 24	Experimenting in the Entrepreneurial Venture
	Case: Rent the Runway
	Case: Pandora Radio: Fire Unprofitable Customers?
2. October 31	Marketing Strategy for Early Stage Ventures
	Case: Warby Parker: Vision of a "Good" Fashion Brand
	Case: Casper Sleep Inc.: Marketing the "One Perfect Mattress for Everyone"
3. November 7	Digital Media: Paid Search & Social Media Marketing
	Case: Facebook
	Case: Measuring ROI on Sponsored Search Ads. Online Marketing at Bazaar.com
4. November 14	Customer Discovery: Growth Hacking and App Marketing
	Case: Airbnb
	Case: Growth Hacking at Bazaart
5. November 28	Growth Strategy for New Ventures
	Case: Uber: Changing the Way the World Moves
	Case: Boxed.com (pending)
6. December 5	Final Presentations
7. December 12	Deep Dive into a Select Number of Student Presentations

DETAILED OUTLINE OF CLASS SESSIONS

Session 1	24-Oct
Theme	Experimenting in the Entrepreneurial Venture
	Introduction and course overview
	Lean startup principles, business model, customer value proposition, customer interviews, minimum viable products (MVPs), early market trials (MVP tests), customer acquisition cost (CAC), customer lifetime value (CLTV) and word of mouth marketing.
Academic Reading	Experimenting in the Entrepreneurial Venture, HBS: Core Curriculum: Entrepreneurship by Thomas Eisenmann, September 2014
	The principles of hypothesis-driven entrepreneurship. Entrepreneurs in these startups translate their vision into business model hypotheses, then test the hypotheses using a series of "minimum viable products," each of which represents the smallest set of features or activities needed to validate a concept.
Academic Reading	Selling and Marketing in the Entrepreneurial Venture, HBS: Core Curriculum: Entrepreneurship by Frank Cespedes, July 2014

	How to identify and test a venture's potential with early adopters, how to identify core customers, and how to integrate selling and marketing activities in a new business. Shed light on how entrepreneurs can sharpen their understanding of customers, as well as gain valuable insights into the venture's product or service, by conducting visits with potential customers.
Academic Reading	Customer Profitability and Lifetime Value, Background Note by Elie Ofek, August 2002
	Basic understanding of the analytic tools necessary for calculating customer acquisition costs and customer lifetime value.
Case Study	Rent the Runway
	HBS By Thomas Eisenmann and Laura Winig, revised December 2012
	Illustrate "lean startup" principles, including the use of MVPs to conduct quick and inexpensive but rigorous tests to validate business model hypothesis. When preparing this case, place emphasis on: well-implemented discovery interviews and minimum viable product tests / market trials.
Assignment	One-page assignment due prior to the start of class:
	1. [3 points] Create a timeline of the customer discovery interviews (with designers) and their significance to the venture's business model and positioning statement.
	2. [4 points] What did the cofounders learn from each of the three market trial about customer preferences and behavior?
	3. [3 points] What other market trials or MVP tests could the cofounders conducted?
Class Discussion	Customer Acquisition Cost (CAC) and Customer Lifetime Value (CLVT)
Class Discussion	Word of Mouth Advertising
Case Study	Pandora Radio: Fire Unprofitable Customers?
	HBS. By Willy Shih and Halle Tecco. Revised November 2010.
Class Discussion	Pandora Radio is at a crossroads. Founder Tim Westergren has just been told by a well-known VC to get rid of his unprofitable customers in order to get his costs down, but Westergren is not sure that such actions are consistent with his company's business model. Pandora Radio is the largest Internet music stream site, and its rapidly growing user base loves the free customizable music stream under an advertising supported model. Pandora has to pay royalties for every song streamed, and has other variable costs that scale linearly with hours consumed, but it has taken no steps to restrict the amount of usage among its heaviest and most loyal users. Can Pandora make its model work when a significant percentage of its users cause it to lose money?
	Good money/bad money and business model frameworks. Business models; Business to consumer; Consumer behavior; Customer profitability; Customer satisfaction; Disruptive innovation; Entrepreneurial management; Execution; Growth strategy; Internet; Strategic analysis.

	The Art of the Pitch
Theme	Two-Sentence Pitch and Pitch Deck
Academic Reading	Developing Business Plans and Pitching Opportunities, HBS: Core Curriculum: Entrepreneurship by Lynda M. Applegate and Carole Carlson, September 2014
	1. Understand how to translate a business model into a well-crafted plan and pitch 2. Decide how to select from business plan and pitch types to most effectively convey the opportunity to stakeholders in different situations 3. Understand how potential investors and other stakeholders evaluate a plan or pitch 4. Learn how to make the plan or pitch succinct, comprehensive, and compelling
Class Discussion	or Guest Speaker
Session 2	31-Oct
Theme	Marketing Strategy for Early Stage Ventures
	Business model, buy one-give one, customer value proposition, minimum viable products (MVPs), customer acquisition cost (CAC) and customer lifetime value (CLTV)
Academic Reading	Framework for Marketing Strategy Formation
	HBS Core Curriculum. Marketing. Robery Dolan. June 2014.
	An introduction to the framework for marketing strategy: how a business creates and retains a customer. It begins with a description of the 5C's analysis for developing a marketing strategy (customer, company, collaborators, competitors, and context). It then discusses two sets of decisions every organization needs to make: the Aspiration Decision (what the company hopes to achieve in the market) and the Action Plan Decision (or "marketing mix" of the 4Ps-product, promotion, placement, and price). Finally, it considers the different kinds of actions required for customer acquisition vs. customer retention.
Academic Reading	Business Model Analysis for Entrepreneurs. Thomas Eisenmann. Revised October 2014
	Comprehensive note on business model and its elements. Focus on customer value proposition, go-to-market plan including CAC, LTV, and virality.
Case Study	Warby Parker: Vision of "Good" Fashion Brand
	HBS. Christopher Marquis and Laura Velez Villa. Revised July 2014
	How Warby Parker's dual core social mission gave the company a comparative advantage to quickly became a leader in a new industry segment. When preparing this case, place emphasis on: business model, building a brand, go-to-market strategy, and pricing.
Assignment	One-page assignment due prior to the start of class:
	1. [3 points] Prepare a two-sentence pitch for Warby Parker.
	2. [4 points] What is the value proposition for Warby Parker?

	3. [3 points] What is your evaluation of Warby Parker's buy-one give-one model?
Case Study	Casper Sleep Inc.: Marketing the "One Perfect Mattress for Everyone"
	HBS. Robert Dolan, September 2016
	"A Warby Parker of mattresses? Somebody is going to do it. Why not us?" This was the topic of a conversation begun in spring 2013 among Gabe Flateman, Philip Krim, Neil Parikh, and T. Luke Sherwin. The four met as members of a New York City venture accelerator program. All admired Warby Parker's success in delivering on the promise of "designer eyewear at revolutionary prices," via a direct-to-consumer sales model. "Big Mattress," their term for the current manufacturer / retailer system, featured not only high prices, but also, as they would describe to many in the days ahead, "one of the worst buying experiences in the world."
	How to create awareness and encourage trial of a direct to consumer method of selling a traditional consumer product. Effective integrated marketing campaigns for new ventures bringing together a variety of media in a complimentary way. Bringing together earned, owned, and paid media types. Economic impact of media types. Marketing communication's role in influencing the decision-making process.
Class Discussion	1. What are the basic economics on a Casper queen mattress? Use the following assumptions: Casper's queen mattress' retail price is \$850, COGS is 60%, outbound delivery box cost is \$5 each and UPS charge to Casper is \$70 for delivery. Return rate is 5% and cost of disposal of mattress is \$25.
	2. Compare and contrast Casper's three key competitors in the direct-to-consumer space.
	3. Compare and contrast Casper's direct-to-consumer business model to the traditional "Big Mattress" business model so far as the consumer buying process.
	3. Create a two-sentence pitch for Casper
Guest Speaker	Bill Marino, Co-Founder and CEO, Uru, Yale '01, Columbia Law School '04, and Cornell M. Eng. Computer Science, '16
Session 3	7-Nov
Theme	Digital Marketing for Entrepreneurs: Paid Search & Social Media Marketing
Academic Reading	Digital Marketing. HBS: Core Curriculum: Marketing by Sunil Gupta and Joseph Davin. September 2015.

	We highlight four key elements of digital marketing: outbound marketing (search and display advertisements), inbound marketing, social media networks, and the mobile revolution. The Reading explores each element, explaining relevant tools and how to assess their effectiveness; it also covers advanced topics such as online-offline interaction and linking measurements to customer lifetime value (CLV).
Academic Reading	Social Strategies that Work by Mikotaj Jan Piskorski, Harvard Business Review, November 2011
Case Study	Facebook
	HBS. Thomas Eisenmann, David Chen, Brian Feinstein, and Aaron Smith. Revised March 2014
	Problem & Solution Fit as well as Business Model as it applies to the social failures framework. To explore different ways of monetizing social relationships. Explore Facebook's business model and their development of advertising capabilities.
Assignment	One-page assignment due prior to the start of class:
	1. [2 point] Problem: What (social) problem does Facebook address?
	2. [2 points] Evaluate the success of Facebook Ads. How well do ads work on Facebook and why?
	3. [2 points] Why and how has Facebook developed data targeting capabilities?
	4. [2 points] Compare and contrast Facebook versus Twitter and Snapchat so far as ability to create content, share content and connect with other users.
	5. [2 points] If you were to add one new feature to Facebook, what would it be and why? Based upon either evidence in the case or found research. Must include reference if found research.
Academic Reading	Paid Search Advertising. Rajkumar Venkatesan and Shea Gibbs. Darden Business Publishing. May 2014.
	The mechanics of paid search explained using the Google search engine platform. The note covers metrics for evaluating the performance of paid search, the strategic objective of paid search, the relationship between customer lifetime value and search ads, how to overcome sparse data problems using keyword clouds, and the nature of Google AdWords's enhanced campaigns.
Case Study	Measuring ROI on Sponsored Search Ads. Online Marketing at Bazaar.com
Class Discussion	Columbia CaseWorks. Kinshuk Jerath, April 2017
	How should companies measure ROI for paid search ads? This case scenario is based on a real company (with name disguised and artificial but representative data) that uses search engine advertising, running paid search ads on the two major search engines, Google and Bing. Students are presented with weekly traffic data for both Google and Bing and are asked to perform an ROI analysis for the company.

Class Discussion	1. Given the Bazaar.com data presented in the case for branded and non-branded keyword searches, how effective are the sponsored search ads via Google?
	2. Calculate the ROI on the sponsored search ads via Google. How do you compensate for the lack of data for weeks 9-12? What are the factors that go into your consideration?
	3. What is the value of the sponsored ads? What are your recommendations or suggestions going forward?
Guest Speaker	Fabio Freyre, Advertising Director at Facebook
Session 4	14-Nov
Theme	Customer Discovery: Growth Hacking & App Marketing
Case Study	Airbnb
	HBS. Joseph Lassiter and Evan Richardson. Revised March 2014.
	Brian Chesky, Joe Gebbia, and Nathan Blecharczyk, the three founders of Airbnb, an online private accommodation rental market, stared at each other across the kitchen table in their San Francisco apartment. It was March of 2009. A few months earlier, they had been thinking of shutting Airbnb down. Although they'd spent more than a year building from an idea born of desperation into a business that had received national print and television coverage, the company had never managed to rent many rooms, and the founders felt as if they had exhausted most of their options.
Assignment	1. [4 points] Create a brief pitch by outlining the market size, the business problem, the Airbnb solution, and their business model.
	2. [6 points] Create a timeline of actions undertaken by the Airbnb cofounders with a focus on the three early events SF/SXSW/DNC. Which actions were most important in validating the business model and creating consumer demand?
Case Study	Growth Hacking at Bazaart (A), Case Study
	HBS. Jeffrey Bussgang and Matthew Preble. Revised May 2015.
	Gili Golander, one of the founders and Bazaart's chief marketing officer, utilized a number of "growth hacking" techniques to generate downloads and build awareness at minimal cost. These techniques had proven successful and helped the firm reach 1 million downloads by June 2014. However, the four founders debated whether to stay focused on growing Bazaart's user base and worry about driving revenue later, or try and monetize the app (by introducing in-app purchases, native advertising, or moving to a subscription model) and bring in some much-needed revenue. Would growth hacking alone be enough to grow the company or should it utilize (and pay for) more traditional marketing? What approach would make the company more attractive to investors?
	Growth hacking, app store optimization, in-app engagement

Class Exercise	1. Bazaar's Two-sentence pitch as of 2014
	2. Business model: Your recommendation for revenue opportunity and why
	3. What outbound marketing strategy would you test and why?
	4. What inbound marketing strategy would you test and why?
Guest Speaker	Rich Vogel, Founding Partner, COO & CFO of Loeb Enterprises. Direct to consumer ventures include ScriptRelief, a free-to-consumer pharmacy discount card.
Session 5	28-Nov
Theme	Growth Strategy for New Ventures
Academic Reading	Scaling a Startup: Pacing Issues by Thomas Eisenmann. Revised November 2014.
	Build understanding of business model attributes, competitive dynamics, and capital market conditions that encourage entrepreneurs to pursue accelerated growth.
Academic Reading	Scaling a Startup: People and Organizational Issues by Thomas Eisenmann and Alison Berkley Wagonfield. Revised February 2012.
	Organizational challenges that startups often encounter as they begin to scale rapidly, along with approaches to addressing these challenges suggested by scholars, investors, and experienced entrepreneurs.
Case Study	Uber: Changing the Way the World Moves
	HBS. Youngme Moon. Revised January 2017.
	In 2015, Uber is building what may be the largest point-to-point transportation network of its kind; it is literally changing the way the world moves. This highly-energizing case explores the challenges Uber faces managing both the supply (driver) side and the demand (passenger) side of its disruptive business model. The case is a powerful mechanism for examining the unique market dynamics associated with sharing economy businesses. The analysis also includes an examination of customer satisfaction and loyalty dynamics, as well as pricing dynamics. Finally, the case provides an exploration of the impact of disruptive innovations on a market.
Assignment	One-page assignment due prior to the start of class:
	1. [3 points] What is the value proposition for customers (passengers): What are the advantages of Uber versus a taxi or a traditional car services? Do you agree or disagree with Uber's surge pricing policy and why?
	2. [3 points] What is the value proposition for Drivers: From a driver's standpoint, is it better to drive for Uber or is it better to drive for a taxi/limo service? would you imagine are the most appreciated benefits?
	3. [2 points] Uber's Innovation takes advantage of some of the most prominent consumer behavior trends associated with the modern economy. Name a few.

	4. [2 points] Uber is notoriously aggressive in its business tactics. It frequently operates without getting regulatory approval and it often ignores legal concerns; as a consequence, the company has become a lightning rod for criticism. Why is aggressive growth important for Uber? Do you agree with Uber's aggressive tactics?
Academic Reading	Uber Shows How Not to Apply Behavioral Economics by Francesca Gino, Harvard Business Review, April 13, 2017
Class Discussion	Behavioral economics takes the view that people have fallible judgment and malleable preferences and behaviors, can make mistakes calculating risks, can be impulsive or myopic, and are driven by social desires. Organizations that embrace behavioral economics design processes to use these tendencies to nudge people to do something. The determining factor between when nudges should be deemed good and when they should be deemed bad is: Are they being used to benefit both parties involved in the interaction or do they create benefits for one side and costs for the other?
Case Study	Boxed.com (pending case study available in mid-October)
Class Discussion	Often called the "Costco for Millennials", Boxed is a wholesale retailer specializing in selling bulk items to customers via its website or mobile app. The company has raised just under \$150 million and has grown to over \$100 million in sales.
Guest Speaker	Chieh Huang, CEO of Boxed
Session 6	5-Dec
Theme	Pitch Presentations
	Live presentation (pitch) should be approximately 6-8 slides and should take 6 minutes to present with 2 minutes for questions. Can be groups as small as one and as large as four students.
	• New venture or marketing idea -- 2 sentence pitch (10 points)
	• Market: assess market size (10 points)
	• Identify business problem & develop marketing solution (10 points)
	• Business model using Business Model Canvas (20 points)
	Go-to-Market Plan
	• Inbound, outbound and social media strategy (20 points)
	• Minimum Viable Product and market trial (20 points)
	• Overall: Originality and viability (10 points)
	15 group pitches x 10 minutes per pitch
Class Exercise	Class discussion regarding interest in taking 1, 2 or 3 ventures to take the next level

Session 7	12-Dec
Theme	Class Wrap-up
	Move Forward with Class Selection of Marketing Plans
	Deep dive into 1/2/3 presentations
Guest Speaker	or Class Discussion

The instructor reserves the right to modify and/or change the course syllabus as needed during the course