

Module Outline

Module Code : MKT4415K/MKT4761E
Module Title : SIM: Distribution Management: Channels and Platforms
Semester : Semester I, AY2021/2022
Faculty : Assoc Prof Chong Juin Kuan
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Overview and Objectives

Channels (pipelines) and platforms are the distribution “structures” that link demand and supply. These structures (both physical and virtual) make possible the transactions between buyers and sellers by enabling the exchange of information, product (and service) and payment. In short, the structures enable distribution. This course teaches the learner about these structures, paying particularly attention to the efficiency and effectiveness of their distribution.

The efficiency and effectiveness of a distribution structure are affected by the idiosyncratic characteristics of the product (and service), as well as those of (intermediate and end) sellers and buyers. This course put together the knowledge base needed to understand the impact of these characteristics on the distribution structure and the impact of the design of a distribution structure on the behaviors of sellers and buyers.

This course has theoretical, empirical, and practical components. It exposes the students to the necessary theoretical background to evaluate existing empirical phenomena in distribution. Armed with theory and empirics, students take a step further using the knowledge to discover and appreciate the challenges and opportunities of the existing distribution structures in various product categories.

At the end of the course, the diligent learner will have a well-grounded understanding of the structures that enable the transactions between buyers and sellers and will be competent in applying this knowledge to handle challenges and opportunities in the linking of demand and supply.

Learning Outcomes

Students shall attain the following learning outcomes in order of difficulty:

1. Know how channels and platforms enable demand and supply to link,
2. Identify challenges and opportunities a distribution structure face and why,
3. Appreciate the implications of such challenges and opportunities for business,
4. Design effective structures to resolve challenges and exploit opportunities.

Prerequisite

The usual pre-requisites for an honors class apply – MKT2401 Asian Markets and Marketing Management and BSP1005 Managerial Economics. Non-marketing major students are advised to check with the instructor.

Course Materials and Approach

We will use the textbook and research articles as the primary teaching materials. In addition, lecture notes and handouts will be made available throughout the semester. There are two types of readings for each session. The pre-class readings are generally meant to introduce concepts, principles and frameworks. The post-class readings are provided for those who are interested to further their knowledge in the topics of the session.

Required Text:

Robert W. Palmatier, Eugene Sivadas, Louis W. Stern, and Adel I. El-Ansary, Marketing Channel Strategy: An Omni-Channel Approach, 9th Edition, Routledge (2019) [RP]

References:

On Platforms and Ecosystem,

Harvard Business School Publishing (2021) [HB]

Kusum L. Ailawadi and Paul W. Farris,

Getting Multi-channel Distribution Right,

John Wiley & Sons (2020) [AF]

World Economic Forum on Digital Transformation: Digital Platforms & Ecosystems

<https://reports.weforum.org/digital-transformation/digital-platforms-ecosystems/>

Advanced References:

David S. Evans and Richard Schmalensee,

Matchmakers: The New Economics of Multisided Platforms,

Harvard Business Review Press (2016) [ES]

Geoffrey G. Parker, Marshall W. Van Alstyne and Sangeet Paul Choudary, Platform Revolution, W.W. Norton & Co. (2016) [GP]

Cusumano, Michael A., Annabelle Gawer, and David B. Yoffie, The Business of Platforms: Strategy in the Age of Digital Competition, Innovation, and Power. Harper Business (2019) [MC]

Partial Reading List (as at 06-08-2021)

1. Jacobides, Michael G., Arun Sundararajan, Marshall Van Alstyne "Platforms and Ecosystems: Enabling the Digital Economy", World Economic Briefing Paper 2019, <http://reports.weforum.org/digital-transformation/wp-content/blogs.dir/94/mp/files/pages/files/digital-platforms-and-ecosystems-february-2019.pdf>
2. Kenney, Martin and John Zysman, "The Rise of Platform Economy," Issues in Science and Technology, Vol. XXXII, No. 3, (2016), pp. 1-18.
3. Briedis, Holly, Brian Gregg, Kevin Heidenreich, and Wei Wei Liu, "The Survival Guide to Omnichannel and the Path to Value," McKinsey & Co, April 2021, pp. 1-7.
4. Praveen Adhi, Tiffany Burns, Andrew Davis, Shruti Lal, and Bill Mutell, "A Transformation in Store," McKinsey & Co, May 2019, pp. 1-6.
5. Steven Begley, Becca Coggins, Matthew Maloney, and Steve Noble, "The next normal in retail: Charting a path forward," McKinsey & Co, April 2021, pp. 1-7.
6. Zhu, Feng and Marco Iansiti, "Why Some Platforms Thrive and Others Don't," Harvard Business Review, Vol. 97, No. 1, (2019), pp. 118-125.
7. Cusumano, Michael A., Annabelle Gawer, and David B. Yoffie, "Platform versus Non-Platform Company Performance: Some Exploratory Data Analysis, 1995-2015," Working paper. <http://questromworld.bu.edu/platformstrategy/files/2018/07/Platform-vs-Non-Platform-Performance-Working-Paper-v2.pdf> (accessed 2021 May 17)
8. Cusumano, Michael A., David B. Yoffie, and Annabelle Gawer. "The Future of Platforms." Art. 61304. Special Issue on Disruption 2020. MIT Sloan Management Review 61, no. 3 (Spring 2020).
9. Wu, Andy, David R. Clough and Sasha Kaletsky, "Nascent Platform Strategy: Overcoming the Chicken-or-Egg Dilemma," Harvard Business School notes 9-719-507, May 2, 2019.

Preparation for Class

A class schedule will be provided. The class schedule contains the topics that I will cover in this course. For each week, it lists the topic for the week and the pre-class readings. Some suggestions for a good preparation before class:

1. Read the essential course material assigned at the minimum. For the highly motivated, proceed to handouts given out in previous classes.
2. Note down the difficulty you encounter, doubts and questions that you have during the reading. Think carefully about how you want to ask the questions.
3. Go through the topics and materials that we cover in previous classes. Can you make a connection?

Assessment

This course has no final examination; it is 100% continuous assessment. Your final grade in the course will be based on four components. The evaluation is as follows:

| | |
|-------------------------------------|-----|
| A. Class Participation (individual) | 20% |
| B. Assignments (individual) | 30% |
| C. Essay (individual) | 20% |
| D. Quizzes (individual) | 30% |

Please note that late assignments will be penalized at a rate of 20% per day. All written work is due at the beginning of class on the due date. The due dates for the assignments are listed on the course schedule and a more detailed outline of the evaluation procedure and requirements for items A through D is included below. Please read the assessment details carefully.

Assessment Details

A. Class Participation (20%)

Class participation adds to your own learning experience and benefits the class. Your participation allows me to gauge how much you have learned and helps me to determine what grade you deserve. I expect each of you to participate. To reinforce this expectation, I will “cold call” throughout the class. How can you participate? There are four ways:

1. By asking questions. Asking questions help you to sharpen your understanding of an issue, a concept, a framework or a model. You should strive to ask good questions. The best way to field a good question is to prepare for class by going through at least the basic reading.
2. By giving comments. The comments you made will show the level of understanding you have of the concepts and issues discussed in class. It also shows how well you have listened and understood the comments, solutions and experiences others have presented and shared.
3. By providing solutions. Providing solutions in class allow others to follow through your analysis in details. It allows you to verify your analysis and allows the class to learn from you.
4. By sharing experiences. Sharing your experiences gives the class a new perspective to an issue. It gives the class the opportunity to contrast and compare with other experiences they may have.

Keep in mind that your grade for class participation is not simply a function of the amount of "air-time" you take up. In general, I will evaluate you on how well you respond to questions and on how effectively you take into account the comments and analyses of your classmates.

B. Individual Assignments (30%)

There will be three individual assignments. The assignments are meant to test your understanding of the basic concepts.

C. Essay (20%)

You will be assigned a product/service category where you will write on the efficiency and effectiveness of the existing distribution structure(s).

Content for the essay: There are two parts to the essay as follows –

Part 1 (10%) End-user analysis: Discuss the different end-user segments and the current distribution structure(s) that cater to the segments.

Part 2 (10%) Improvement: Identify one end-user segment where the current distribution structure is not efficient and propose a change to the structure to improve on the efficiency and effectiveness of the distribution.

There is a strict upper limit of **four** single-spaced pages of text (assuming 12-point font size and one-inch margins) and, if there are, at most **two** pages of exhibits. If you submit a lengthier write-up, it will likely be counted against you. Keep in mind that exhibits should be tied to the report write-up in some meaningful ways.

Although you will have ample time before the essay is due, I strongly suggest you start as soon as you are assigned the product/service.

Your essay is due at the beginning of the last class.

D. Quizzes (30%)

There will be 3 in-class 30 minutes closed book quizzes. Each quiz is worth 10%.

Academic Honesty & Plagiarism

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is “the practice of taking someone else’s work or ideas and passing them off as one’s own” (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule - You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. In case of any doubt, you should consult your instructor.

Additional guidance is available at:

- <http://www.nus.edu.sg/registrar/administrative-policies-procedures/acceptance-record#NUSCodeofStudentConduct>
- <http://nus.edu.sg/osa/resources/code-of-student-conduct>

Class Schedule – Semester 1 AY2021/2022

| Session | Topic | Reading & Assignment |
|---------|---|--|
| 1 | Introduction | RP Chapter 1; AF Chapters 1, 4. |
| 2 | Channel Basics – Functions and Structures | RP Chapter 2; AF Chapters 7-9. |
| 3 | Channel Basics – User analysis | RP Chapter 10; AF Chapter 2. |
| 4 | Channel – Relationship, Power and Conflict | RP Chapters 3-5; AF Chapters 3, 5-6. Quiz 1 Case on Power and Conflict |
| 5 | Channel – Design (Wholesale, Retail and Franchise) | RP Chapters 6-8; AF Chapters 9-10. Due: Assignment 1 |
| 6 | Omni- and Multi-channel – Overview | RP Chapter 1; AF Chapters 8, 11-12. Quiz 2 |
| 7 | Omni- and Multi-channel – Strategy | RP Chapters 9, 11; AF Chapter 16 Case on Omni- and Multi-channel |
| 8 | Platform Basics – Overview | GP Chapters 1, 4; ES Chapters 1, 4 Due: Assignment 2 |
| 9 | Platform – Function and Design | GP Chapters 3, 9; ES Chapter 8. |
| 10 | Platform – Network Effects | GP Chapters 2, 6; ES Chapter 5. Quiz 3 |
| 11 | Platform – Strategy | GP Chapters 8, 10. Case on Platform Strategy |
| 12 | Ecosystem and Market | ES Chapter 7. MJ Due: Assignment 3 |
| 13 | Taking Stock: The future of Channel, Platform and Markets | GP Chapter 12; The Future of Shopping (HBR Dec 2011). Due: Essay |

Student should read ahead of schedule by at least 1 week to maximize learning.

Key to Authors –

RP: Robert W. Palmatier, Eugene Sivadas, Louis W. Stern, and Adel I. El-Ansary;

AF: Kusum L. Ailawadi and Paul W. Farris;

AC: Anne T. Coughlan, Erin Anderson, Louis W. Stern, Adel I. El-Ansary;

GP: Geoffrey G. Parker, Marshall W. Van Alstyne and Sangeet Paul Choudary;

ES: David S. Evans and Richard Schmalensee;

MJ: Michael G. Jacobides, Arun Sundararajan, Marshall Van Alstyne