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RESEARCH METHODS FOR MANAGEMENT 2018

Introduction

This course provides an introduction to research methods for management. It provides an understanding of the strengths and weaknesses of different data and methodological traditions. It also covers prime challenges in model specification such as causality, heterogeneity, multicollinearity, heteroskedasticity, endogeneity and aggregation. In our discussions, we will also devote attention to how to design research for academic and practice impact and to philosophy of science in general.

Course Objectives

The course aims to prepare students to better understand the principles behind academic research aimed for publication in top journals. After this course, students will be more able to design research studies, to assess research studies by others, and to apply quantitative techniques in their own work. The course is focused on students with an interest in quantitative research in management (i.e., research grounded in economics, econometrics, statistics, and to a minor extent, mathematics). It is open to students with more of a theory orientation that want to improve their methodological knowledge.

Prerequisites

As this is a core class for first year students and an elective for more advanced students, the course has no prerequisites. Obviously, some familiarity with elementary statistics or mathematics is welcome.

Student Profile

I consider this course a requirement for any student with a strong interest in research in management. Even if you do not plan to use quantitative models in your research, it is pivotal for you to be able to understand and critically examine published quantitative research. For doctoral students in IESE's quantitative track, this course is even more important as it will offer you the backbone for your further courses and research with the goal of reaching a first-class dissertation.

Course Structure

The course consists of a total of 24 sessions of 1 hour and 15 minutes each. Sessions 21 & 22 are reserved for your own projects (see below for details) and sessions 23 & 24 for the final exam. The exam does not aim to test your statistical knowledge, but your understanding of the concepts we discussed throughout the course.

With the exception of sessions 13 & 14, where a guest speakers will share their experiences with the PhD and their choice of future career, followed by an open discussion, all other sessions will follow the same structure (see below for details).

Session Structure

Following an introduction to the session's topic by the professor, which will take the first half of the class (30 min), in the second half of the class (45 min) we will have a discussion led by a student (see below for details). This discussion will be based on a paper and questions assigned by the professor (see 'Readings and Assignment Questions per Session' section below for readings and questions).

Introduction by the Professor

In each session, the professor will begin by introducing the topic for that session. The introduction aims to (i) provide students with a clear understanding of the topic being discussed, (ii) address what they should watch out for when conducting research and (iii) illustrate an application of the topic in management research. The goal of the introduction is not to provide a statistical proof, but to explain the intuition behind each topic and help the class reach a common understanding of the topic. Therefore, these introductions will be very interactive and active class participation is necessary.

First, the professor will explain what the topic under discussion means. In doing so, he will provide examples of applications in management research (i.e. in what context is the threat found or the methodology applied). Second, he will explain how to test for a possible threat or what the threats are when using a certain methodology. In doing so, he will also explain how researchers then deal with such threats. Third, the professor will provide an example

of an application of the topic. In doing so, he will summarize a paper and focus on the topic at hand (these papers are included as ‘supplementary readings’).

Discussion Led by a Student

With the exception of sessions 1 and 2, where all students will shortly present (10 min each), and sessions 13 and 14, where a guest speaker has been invited and an open discussion will be held, in all other sessions the discussion will be led by a student. This discussion will be held in the second half of the class (45 min) following the introduction by the professor. In this second half, the professor will act as a moderator.

The discussant’s role is to entertain a lively discussion about the topic we discuss in that session. To help students, for each session, a ‘required discussion reading’ has been assigned, together with questions on the most important aspects to focus on. Of course, the students will have to, for each paper, provide a short introduction to the paper and explain what the authors are studying. Furthermore, sharing of real practice examples on the topic of interest in the session by any student, especially the discussant, with the rest of the class and the professor is greatly appreciated.

Therefore, the discussion leader will prepare a presentation on an assigned paper, based on questions provided in the outline and any further topics s/he wishes to discuss. The discussant should prepare to explain the paper and guide a discussion for 45 minutes at most.

Appointing a Discussion Leader

The class will self-appoint a discussion leader for each session. In sessions 1 & 2 a discussion leader is not needed as all students will present shortly. Based on the questions provided, all students should prepare, before the first class, a short 10 minute presentation. As of session 3, the class will self-appoint the discussion leader (with the exception of sessions 13 and 14 where a guest speaker will lead an open discussion).

Therefore, there will be 16 discussion leaders appointed (i.e. sessions 3-12 and 15-20). This means that each student will be a discussion leader 4 times. The discussion leaders should rotate throughout the class (i.e. the same discussion leader should not present again before all other students have presented).

To help you decide on the discussion leader, in the ‘Readings and Assignment Questions per Session’ section, I have placed an asterisk (*) on the more methodologically complex papers. I would advise that these papers are discussed by students with more knowledge of either the topic or econometrics/statistics in general.

As sessions 3 and 4, in which a discussion leader is required, will be held the week after our first session, and to allow the first discussion leaders sufficient time to prepare, students should meet before the course starts to assign discussion leaders. With the first class taking

place on Monday the 9th of April 2018, students should meet and send the professor a list of assigned discussion leaders by Friday the 30th of March 2018.

Role of Other Students

The role of all other students is to prepare for each session so they can actively contribute to the discussion. Therefore, all students are required to read the paper that the discussion leader will present. They are also encouraged to already think of questions that would like to raise during the discussion and share real practice examples on the topic.

Session Preparation and Readings

Each session from 3-20 (with the exception 13 and 14) consists of a ‘required discussion reading’ and ‘supplementary reading(s)’. Furthermore, some sessions also include ‘introductory reading(s)’. The ‘required discussion reading’, as the name suggests, is a required reading for all students. This will be the reading that the discussion leader presents during the second half of the class.

‘Introductory’ and ‘supplementary’ reading(s) are not required materials, while I obviously warmly recommend them. The ‘introductory’ reading(s) provide an introduction to the topic and it is up to the student to decide whether s/he needs such a reading. The ‘supplementary’ readings will be discussed by the professor during class, and again it is up to the student to decide whether s/he needs such a reading to better understand the topic, and whether they want to already have an idea of what the professor will discuss.

Project

Sessions 21 and 22 are reserved for your own project. As the field of research methods in management could not be fully covered in these 20 sessions, these projects are aimed for students to bring forward and explain additional threats to management research and additional methodologies used in management research.

Hence, in these sessions each student is invited to present for 30 minutes on a threat to management research or methodologies used in management research that have not yet been covered in class.

These presentations should follow the same structure as the introductory presentations by the professor in other sessions. Hence, they should (i) provide a clear understanding of the methodological topic being discussed, (ii) explain what scholars should watch out for when conducting research in the methodological area discussed and (iii) illustrate an application of the method in management research by going through a published paper.

As these sessions take place on the 18th of June, the students need to send the paper they intend to present to everyone else by the 25th of May to provide them ample time to read the papers.

Exam

The course will be followed by a closed book, in-class, exam in the last two sessions of the course. The exam does not aim to test your statistical knowledge, but your understanding of the concepts we discussed throughout the course.

Summary of Course Calendar

This course provides an introduction to several major topics in research methods for management. We begin with sessions 1 and 2 with a general discussion on publishing (e.g. what journals are there, how to measure impact, etc) and managerial relevance.

Sessions 3-8 are dedicated to the major threats to inference when conducting research in management. In these sessions we look at what threats lead researchers to erroneous results or conclusions, and how we can test and handle these threats.

In sessions 9-12 we focus on causality, to spur the important debate on correlation versus causality.

In session 13 we will have a former PhD student as a guest who will share his experiences and career choices after the PhD, and discuss the threats to inference he encountered in his work. In session 14, we will host another former PhD student, who will share his experiences, and discuss the methodologies he has used in his work.

In sessions 15-20 we then focus on different methodological traditions based on choices or decisions economic agents make. For example, should a company enter a certain market or not? How will alliances and joint ventures with other companies affect innovation output? Should the government raise minimum wages? These choices lead to different types of data that can be used to study a problem. Based on these choices, we will touch upon different research models such as (i) logit & probit models, (ii) multinomial logit models, (iii) count models, (iv) hazard models, (v) time series models and (vi) difference-in-differences.

Sessions 21 and 22 are reserved for the students' own project, where they can expand on what has not been covered explicitly in class yet, while sessions 23 and 24 are reserved for the in-class closed book exam.

Session #	Date	Time	Topic
<i>Session 1</i>	11/04/2018	09:30-10:45	Philosophy of Science and Publishing Strategy (Part 1)
<i>Session 2</i>	11/04/2018	11:00-12:15	Philosophy of Science and Publishing Strategy (Part 2)
<i>Session 3</i>	16/04/2018	09:30-10:45	Threats to Inference: Heterogeneity
<i>Session 4</i>	16/04/2018	11:00-12:15	Threats to Inference: Multicollinearity
<i>Session 5</i>	17/04/2018	09:30-10:45	Threats to Inference: Heteroscedasticity
<i>Session 6</i>	17/04/2018	11:00-12:15	Threats to Inference: Aggregation
<i>Session 7</i>	07/05/2018	09:30-10:45	Threats to Inference: Endogeneity (Part 1)
<i>Session 8</i>	07/05/2018	11:00-12:15	Threats to Inference: Endogeneity (Part 2)
<i>Session 9</i>	08/05/2018	09:30-10:45	Causality: Lab Experiments
<i>Session 10</i>	08/05/2018	11:00-12:15	Causality: Field Experiments
<i>Session 11</i>	18/05/2018	09:30-10:45	Causality: Structural Models
<i>Session 12</i>	18/05/2018	11:00-12:15	Causality: Data Enrichment
<i>Session 13</i>	22/05/2018	09:30-10:45	Sharing Experiences on the PhD & Career (Guest Speaker 1)
<i>Session 14</i>	22/05/2018	11:00-12:15	Sharing Experiences on the PhD & Career (Guest Speaker 2)
<i>Session 15</i>	28/05/2018	09:30-10:45	Methodological Traditions: Binary Choices of Agents
<i>Session 16</i>	28/05/2018	11:00-12:15	Methodological Traditions: Multinomial Choices of Agents
<i>Session 17</i>	29/05/2018	09:30-10:45	Methodological Traditions: Count Decisions of Agents
<i>Session 18</i>	29/05/2018	11:00-12:15	Methodological Traditions: Timing Decisions of Agents
<i>Session 19</i>	04/06/2018	09:30-10:45	Methodological Traditions: Timing Decisions of Agents
<i>Session 20</i>	04/06/2018	11:00-12:15	Methodological Traditions: Policy Considerations of Agents
<i>Session 21</i>	26/06/2018	09:30-10:45	Project
<i>Session 22</i>	26/06/2018	11:00-12:15	Project
<i>Session 23</i>	TBA	TBA	Exam
<i>Session 24</i>	TBA	TBA	Exam

Course Grading

Your grade is determined as follows:

Assignment	Grade Points
Participation in class, in general	10 %
Participation as discussion leader	25 %
Project	25 %
Exam	40 %*

I will grade each of these four dimensions on a scale of 1 (very poor) to 10 (excellent) and then transform your total score to IESE's grading system for your final grade. For this final grade, I will adhere to IESE guidelines for Ph.D. courses.

*To pass the course, students will have to pass the exam (meaning obtain a score of at least 5/10), regardless of their score on the other dimensions.

Faculty

Stefan Stremersch

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Desiderius Erasmus Distinguished Chair of Economics and Professor of Marketing,
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For more details see: <http://wwwapp.iese.edu/faculty/facultyDetail.asp?lang=en&prof=sst>

Readings and Assignment Questions per Session

Session 1 & 2. Philosophy of Science and Publishing Strategy

Assignment Questions (10 min presentation by all students):

- What is the best journal in your research area?
- What are your target journals and why?
- Where do you want to make your mark and how will you do that?
- Why do you think this is feasible for you?
- Where would you ideally like to be placed (academia/industry)? If academia, at which institution ideally?
- Which scholars would you like to collaborate with? Why?

Supplementary Reading:

- 1) Stremersch, S., I. Verniers and P.C. Verhoef (2007), “*The Quest for Citations: Drivers of Article Impact*,” *Journal of Marketing*, 71(July), 171-193.
- 2) Stremersch, S., Camacho, N., Vanneste, S. and Verniers, I. (2015), “Unraveling Scientific Impact: Citation Types in Marketing Journals,” *International Journal of Research in Marketing*, 32(1), pp.64-77.
- 3) Roberts, J. H., U. Kayande and S. Stremersch (2014), “From Academic Research to Marketing Practice: Exploring the Marketing Science Value Chain”, 31, 127-140

Session 3. Threats to Inference: Heterogeneity

Introduction Readings:

- 1) Verbeek, Marno (2012), “An Introduction to Linear Regression,” *A Guide to Modern Econometrics (6th Ed.)*, Ch. 2.
- 2) Verbeek, Marno (2012), “Interpreting and Comparing Regression Models,” *A Guide to Modern Econometrics (6th Ed.)*, Ch. 3

Required Discussion Reading:

- 1) Denrell, Jerker, Christina Fang, and Zhanyun Zhao (2013), “Inferring Superior Capabilities from Sustained Superior Performance: A Bayesian Analysis,” *Strategic Management Journal*, 34, 182-196.
- What is the heterogeneity (i.e. heterogeneity in what) that the authors study?
 - What model do the authors use to study heterogeneity?
 - What are the authors’ findings in term of the effect of heterogeneity in capabilities?

Supplementary Reading:

- 1) Rothaermel, Frank T., and Andrew M. Hess (2007), “Building Dynamic Capabilities: Innovation Driven by Individual-, Firm-, and Network-Level Effects,” *Organization Science*, 18(6), 898-921.

Session 4. Threats to Inference: Multicollinearity

Introductory Readings:

- 1) Freund, Rudolf Jakob and William J. Wilson (2006), "Multicollinearity," *Regression Analysis: Statistical Modeling of a Response Variable (2nd Edition)*, Part III, Ch. 5. Burlington, MA: Academic Press.
- 2) Intriligator, Michael D., Ronald G. Bodkin and Cheng Hsiao (1996), "Multicollinearity," *Econometric Models, Techniques, and Applications*, section 5.2., 126-132.

Required Discussion Reading:

- 1) Echambadi, R. and Hess, J.D., (2007), "Mean-Centering Does Not Alleviate Collinearity Problems in Moderated Multiple Regression Models", *Marketing Science*, 26(3), pp.438-445.

- What are the causes of multicollinearity the authors discuss?
- What have others shown about using mean-centering to alleviate multicollinearity?
- What do the authors argue about mean-centering and why does it not alleviate multicollinearity?

Supplementary Reading:

- 1) Gelper, Sarah, and Stefan Stremersch (2014), "Variable Selection in International Diffusion Models," *International Journal of Research in Marketing*, 31(4), 356-367.

Session 5. Threats to Inference: Heteroskedasticity

Introductory Reading:

- 1) Baltagi, Badi H. (2008), "Heteroskedasticity," *A Companion to Theoretical Econometrics*, Ch. 4. Wiley: Chichester, England

Required Discussion Reading:

- 1) Bowen, Harry P., and Margarethe F. Wiersema (1999), "Matching Method to Paradigm in Strategy Research: Limitations of Cross-Sectional Analysis and Some Methodological Alternatives," *Strategic Management Journal*, 20, 625-636.

- Why is accounting for across-firm variability an important methodological issue?
- Why is heteroskedasticity often a problem with cross-sectional data?
- What are the consequences of failing to correct for heteroskedasticity in a cross-sectional setting?
- What alternative methodologies can you adopt to overcome biases caused by heteroskedasticity?

Supplementary Reading:

- 1) Clemons, E. K., Hann, I. H., & Hitt, L. M. (2002), "Price Dispersion and Differentiation in Online Travel: An Empirical Investigation," *Management Science*, 48(4), 534-549.

Session 6. Threats to Inference: Aggregation**Required Discussion Reading:**

- 1) Lang, J. R., Dollinger, M. J., & Marino, K. E. (1987), "Aggregation Bias in Strategic Decision Making Research," *Journal of Management*, 13(4), 689-702.

- What are some examples of aggregation bias in strategic decision making research?
- What are the effects of this bias?
- How can such bias be detected?
- How can this bias be solved?

Supplementary Reading:

- 1) Tellis, G.J. and Franses, P.H., (2006), "Optimal Data Interval for Estimating Advertising Response," *Marketing Science*, 25(3), pp.217-229.

Session 7 & 8. Threats to Inference: Endogeneity**SESSION 7****Required Discussion Reading:**

- 1) Hamilton, Barton and Jackson Nickerson (2003), "Correcting for Endogeneity in Strategic Management Research," *Strategic Organization*, 1(1), 51-78.

- What are the problems with endogeneity in strategic management research discussed by the authors?
- How prevalent is endogeneity in strategic management research?
- What techniques do the authors discuss to correct for endogeneity in strategic management research?

SESSION 8**Required Discussion Reading:**

- 1) Bascle, Guilhem (2008), "Controlling for Endogeneity with Instrumental Variables in Strategic Management Research," *Strategic Organization*, 6(8), 285-327.

- When, according to the authors, is there an endogeneity problem?
- In what ways do they propose to solve the endogeneity problem?
- How are instrumental variables chosen and what should researchers watch out for when choosing instrumental variables?

Supplementary Reading:

- 1) Landsman, Vardit, and Stefan Stremersch (2011), "Multihoming in Two-Sided Markets: An Empirical Inquiry in the Video Game Console Industry," *Journal of Marketing*, 75(6), 39-54.

Session 9 & 12: Causality**Introductory Reading:**

- 1) Sobel, Michael E. (2009), "Causal Inference in Randomized and Non-Randomized Studies: The Definition, Identification, and Estimation of Causal Parameters" in *The SAGE book of Quant Methods in Psych*, Millsap and Maydeu-Olivares, Eds, Ch. 1.
- 2) Kirk, Roger E. (2009), "Experimental Design," in *The SAGE book of Quant Methods in Psych*, Millsap and Maydeu-Olivares, Eds Chapter 2.

SESSION 9: Lab Experiments**Required Discussion Reading:**

- 1) Lynch, John G. (1982), "On the External Validity of Experiments in Consumer Research" *Journal of Consumer Research*, 9, 225-239.

- What is the role of causal inferences in social and management sciences?
- How can lab experiments help us learn about the real world?
- What are the threats when we generalize from the lab to the real world?
- How would you increase the validity of lab experiments?

SESSION 10: Field Experiments**Required Discussion Reading:**

- 1) Chatterji, Aaron K., Michael Findley, Nathan M. Jensen, Stephan Meier, and Daniel Nielson (2016), "Field Experiments in Strategy Research." *Strategic Management Journal*, 37(1), 116-132.

- Do field experiments solve concerns with lab experiments? Why or why not?
- Are field experiments the golden standard in social sciences?
- What are the challenges for field experiments in management research?
- What type of experiments do the authors use and what do they find?

SESSION 11: Structural Models**Required Discussion Reading:**

- 1) Keane, Michael P. (2010), "A Structural Perspective on the Experimentalist School," *The Journal of Economic Perspectives*, 24(2), 47-58.

- What are the pros and cons of experiments according to the author?
- What's the role of theory in empirical research?
- How can structural econometric models help management researchers?

SESSION 12: Data Enrichment

Required Discussion Reading:

- 1) Feit, Elea M., Mark Beltramo and Fred Feinberg (2010) "Reality Check: Combining Survey and Market Data to Estimate Choice Models," *Management Science*, 56(5), 785-800
 - What are the benefits of data enrichment according to the authors?
 - What are the limitations of data enrichment?
 - Why did the authors use data enrichment and what kind of data do they use?
 - What are the weaknesses of the minivan data?

Supplementary Readings

- 1) Session 9 & 10: Nuno Camacho, Hyoryung Nam, PK Kannan & Stefan Stremersch (2017), "How to Promote Engagement in Innovation Tournaments?," Working Paper, Erasmus University Rotterdam.
- 2) Session 11: Chintagunta, Pradeep, Tülin Erdem, Peter E. Rossi, and Michel Wedel (2006), "Structural Modeling in Marketing: Review and Assessment," *Marketing Science*, 25(6), 604-616.
- 3) Session 12: Kappe, Eelco, Sriram Venkataraman and Stefan Stremersch (2017), "Predicting the Consequences of Marketing Policy Changes: A New Data Enrichment Method with Competitive Reactions," *Journal of Marketing Research* (Forthcoming)

Session 13: Sharing Experiences on the PhD & Future Career

No Preparation Necessary.

Session 14. Methodological Traditions: Binary Choices of Agents

Introduction Reading:

- 1) Cameron, A. Colin, and Pravin K. Trivedi (2005), *Microeconometrics: Methods and Applications*, pp 463-478 (Sections 14.1 to 14.4). New York: Cambridge University Press.

Required Discussion Reading:

- 1) Wiersema, Margarethe F., and Harry P. Bowen (2009), "The Use of Limited Dependent Variable Techniques in Strategy Research: Issues and Methods," *Strategic Management Journal*, 30, 679-692.

- Why are LDV models different according to the authors?
- How do the authors recommend to present interaction effects?
- Can you give an example of a paper using a binary dependent variable model within your field?

Supplementary Readings:

- 1) Hoetker, Glenn (2007), "The Use of Logit and Probit Models in Strategic Management Research: Critical Issues," *Strategic Management Journal*, 28, 331-343.
- 2) Hoang, H., & Rothaermel, F. T. (2005). "The Effect of General and Partner-Specific Alliance Experience on Joint R&D Project Performance", *Academy of Management Journal*, 48(2), 332-345.

Session 15. Methodological Traditions: Multinomial Choices of Agents

Introductory Reading:

- 1) Cameron, A. Colin, and Pravin K. Trivedi (2005), *Microeconometrics: Methods and Applications*, pp 490-506 (Sections 15.1 to 15.5.3). New York: Cambridge University Press.

Required Discussion Reading:

- 1) Guadagni, Peter M. and John D.C. Little (1983), "A Logit Model of Brand Choice Calibrated on Scanner Data," *Marketing Science*, 2(3), 203-238.

- What research question(s) do the authors want to answer?
- What type of data do the authors use?
- What model(s) do the authors use?
- How did the authors interpret/present their results? Do you agree with their interpretation/presentation?

Supplementary Reading:

- 1) Jones, S., & Hensher, D. A. (2004), "Predicting Firm Financial Distress: A Mixed Logit Model," *The Accounting Review*, 79(4), 1011-1038.

Session 16. Methodological Traditions: Count Choices of Agents

Introductory Reading:

- 1) Cameron, A. Colin, and Pravin K. Trivedi (1998), "Chapter 15: Essentials of Count Data Regression," in *Regression Analysis of Count Data*. New York: Cambridge University Press.

Required Discussion Reading:

- 1) Stremersch, Landsman and Venkataraman (2013), "The Relationship between DTCA, Drug Requests and Prescriptions: Uncovering Variation in Specialty and Space," *Marketing Science*, 32(2), 127-140.

- What data do the authors use?
- What potential problems do the authors face?
- What model do they apply?

Supplementary Reading:

- 2) Venkataraman, Sriram, and Stefan Stremersch (2007), "The Debate on Influencing Doctors' Decisions: Are Drug Characteristics the Missing Link?," *Management Science*, 53(11), 1688-1701.

Session 17. Methodological Traditions: Timing Decisions of Agents (Hazard)

Required Discussion Reading:

- 1) Van Everdingen, Yvonne, Dennis Fok, and Stefan Stremersch (2009), "Modeling Global Spillover of New Product Takeoff," *Journal of Marketing Research*, 46(5), 637-652.

- What do the authors study? What are the drivers of spillover in takeoff?
- Why do they use a Hazard model?
- What do they find? Which strategy is optimal?

Supplementary Reading:

- 1) Tellis, Gerard J., Stefan Stremersch, and Eden Yin (2003), "The International Takeoff of New Products: The Role of Economics, Culture, and Country Innovativeness," *Marketing Science*, 22(2), 188-208.

Session 18. Methodological Traditions: Timing Decisions of Agents (Time Series)

Introductory Reading:

- 1) Franses, Philip Hans, and Dick van Dijk (2000), "Chapter 2: Some concepts in Time Series Analysis," *Non-Linear Time Series Models in Empirical Finance*, Cambridge University Press.
- 2) Qin, Duo (2011), "Rise of VAR Modeling Approach," *Journal of Economic Surveys*, 25(1), 156-174.

Required Discussion Reading:

- 1) Pauwels, K., Silva-Risso, J., Srinivasan, S., & Hanssens, D. M. (2004), "New Products, Sales Promotions, and Firm Value: The Case of the Automobile Industry," *Journal of Marketing*, 68(4), 142-156.

- What do the authors study?
- Why do the authors use a VAR model?
- Why are Impulse Response Functions helpful and how do they work?
- How do the authors handle the potential problem of non-stationarity?

Supplementary Reading:

- 1) Villanueva, Julian, Shijin Yoo and Dominique M. Hanssens (2008), "The Impact of Marketing-Induced Versus Word-of-Mouth Customer Acquisition on Customer Equity Growth," *Journal of Marketing Research*, 45(1), 48-59.

Session 19. Methodological Traditions: Policy Decisions of Agents

Introductory Reading:

- 1) Gertler, Paul, Sebastian Martinez, Patrick Premand, Laura B. Rawlings, and Christel M.J. Vermeersch (2011), "Chapter 6: Difference in Differences," in *Impact Evaluation in Practice*. The International Bank for Reconstruction and Development /The World Bank.

Required Discussion Reading:

- 1) Chhaochharia, Vidhi and Yaniv Grinstein (2009), "CEO Compensation and Board Structure," *Journal of Finance*, 64(1), 231-261.
- What do the authors study?
 - Why is difference-in-differences the best methodology to understand this phenomenon?
 - What do the authors find?
 - What do you think of the response to the paper by Gunthrie et al. (2012) and the counter-response by Chhaochharia and Grinstein (see supplementary 2 and 3 readings below)?

Supplementary Readings:

- 1) Chevalier, Judith A. and Dina Mayzlin (2006), "The Effect of Word of Mouth on Sales: Online Book Reviews," *Journal of Marketing Research*, 43(Aug), 345-354.
- 2) Guthrie, Katherine, Jan Sokolowsky, and Kam-Ming Wan (2012), "CEO compensation and board structure revisited." *The Journal of Finance*, 67(3), 1149-1168.
- 3) Chhaochharia, Vidhi and Yaniv Grinstein, "CEO Compensation and Board Structure – There is an Effect After All”.

Session 20: Sharing Experiences on the PhD & Future Career

No Preparation Necessary.

Sessions 21-22. Project Presentations

In these sessions, each student is invited to present for 30 minutes on a threat to management research or methodologies used in management research that have not yet been covered in class.

Sessions 23-24. Exam

Students take a written exam in class, closed book, about the subjects covered in class. Students need to pass the exam to pass the course. Required knowledge for the exam are all introductory and discussion readings as well as anything discussed in class. Supplementary readings are not part of the exam content.