

15.567 Reading Guide

Session 20: Information Analytics – Gary Loveman

This session will look more closely at how better information analytics are changing management, marketing and customer relationship management. Our guest speaker will be Gary Loveman, CEO of Harrah's, an MIT PhD in economics and former HBS professor.

If we have time, we will also take a deeper look at how Lynn Wu and I used Google searches to predict housing prices and quantities, and discuss how similar techniques can be used to make inferences and predictions in other markets.

Readings

Required:

Gary Loveman, "Diamonds in the Data Mine" *Harvard Business Review*, 2003

Lynn Wu, Erik Brynjolfsson "The Future of Prediction: How Google Searches Foreshadow Housing Prices and Sales" *NBER Conference Technological Progress & Productivity Measurement*, 2009; *WISE*, 2009; *ICIS*, 2009.

Optional:

Anderson, Chris "The End of Theory: The Data Deluge Makes the Scientific Method Obsolete" *Wired*, 16.07

http://www.wired.com/science/discoveries/magazine/16-07/pb_theory

Davenport, "Competing on Analytics" *Harvard Business Review*, January, 2006.

Brynjolfsson and Schrage "The New Faster Pace of Innovation" *Wall Street Journal and Sloan Management Review*, August, 2010.

URLs:

<http://www.harrahs.com/>

http://en.wikipedia.org/wiki/Gary_Loveman

<http://investing.businessweek.com/businessweek/research/stocks/people/person.asp?personId=298182&ticker=HET:CN>

Study Questions

Please think about the following questions as you do the reading.

- 1) What was real value of the Total Gold program for Harrah's?
- 2) Why did Harrah's focus on customer satisfaction instead of financial results when rewarding employees?

- 3) How can the lessons from Harrah's be applied to other organizations?
- 4) What questions do you have for Gary Loveman, Harrah's CEO?
- 5) What markets are most likely to be effectively predicted by Google (or Bing or Yahoo) search data? What are the implications?

MIT OpenCourseWare
<http://ocw.mit.edu>

15.567 The Economics of Information: Strategy, Structure and Pricing
Fall 2010

For information about citing these materials or our Terms of Use, visit: <http://ocw.mit.edu/terms>.