
Econometrics: customer experience models. Business cases of Russia.

Partial Least Squares Structural Equation Modeling

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Review

This course is designed to introduce students to the specific econometric methodology partial least squares structural equation modeling (PLS-SEM). They will learn how to analyse microeconomic data, model customer behavior, systematize and match quantitative and qualitative data. Students will also learn about the methods market analysts use to find the answers to these questions and become acquainted with many of the important tricks and practical approaches in the field of data analysis. All the cases and examples that will be considered are based on Russian business data.

Course Programme

- Structural Equation Modeling: basic concepts, purposes and aims, restrictions and strengths - **4 hours**
- Specifying the Path Model and Collecting Data: specific issues of data collection, approaches to modeling process, case study (banking in Russia) – **8 hours**
- Path Model Estimation – **4 hours**
- Assessing PLS-SEM Results: interpretation, managerial decisions, forecasting, reliability – **8 hours**
- Case study, Russian business examples – **8 hours**

Prerequisites

This introductory course has actually no specific course prerequisites except basic ones:

- Statistics and econometrics
 - Basic probability and statistics: e.g. average, median, distribution, variance
 - Basic econometrics: linear regression, simultaneous equations
- Business
 - Basic ability to work with business data
 - Understanding of business-processes
- Literacy
 - Ability to read and effectively use textbooks

Supporting materials

Software: SmartPLS

Literature

Josef F. Hire Jr., G. Tomas M. Hult, Christian Ringle, Marko Sarstedt

A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM), SAGE Publications Inc, 2014

V. Esposito Vinzi, W.W.Chin, J.Henseler, H.Wang

Handbook of Partial Least Squares: Concepts, methods and applications, Springer 2010

Damodar Gujarati, Dawn C.Porter

Basic Econometrics, 5th edition, 2008