

**The Wharton School
University of Pennsylvania
MKTG 277-001: Marketing Strategy
Fall 2007**

Instructor:	Professor Ujwal Kayande	Class Hours:	12-1:30pm, Tues/Thurs
Office:	TBA	Class Location:	TBA
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NOTE: This syllabus is tentative. Minor changes might be made before September 6.

I. Course Overview

The objective of this course is to demonstrate to you the benefits of undertaking marketing actions within a strategic framework, and to show you how that can be achieved. Strategy enables us to refine our vision, check its fit with our target markets' needs, focus our efforts to the most worthwhile opportunities, and see how best to realize those opportunities. There are three logical steps in this process: (1) Analysis, (2) Generating and Calibrating Strategic Options, and (3) Planning to realize chosen options. We will examine each of these in this course.

This course forms a capstone to other marketing courses, providing an overall direction for the marketing effort. It also links marketing to corporate strategy and through it to the other managerial functions in the organization.

II. Course Approach

My approach to the presentation of the material will be to provide a wide mix of learning methods – cases, class discussions, readings, and a major project. The “theory” of marketing strategy will be covered by lectures and some readings. How the theory is applied in practice will be illustrated in cases, readings, and the examples that we discuss in class. Your opportunity to show how well you have grasped the theory and its application comes with the analysis and discussion of cases and the major course project.

I will try to help you think about marketing problems using a combination of an intelligent framework and a large dose of common sense. If you can succeed in achieving that, you will succeed in the course. You should also survive in the afterlife.

I welcome student contact. I will be available to discuss issues that arise during the term and to offer any advice and assistance that I can. I do keep some formal office hours but you will find me in most of the time (except most Friday afternoons). You can drop by or make a formal appointment by email or phone, whichever you prefer.

III. Course Details

The course is based on a fundamental pedagogical concept – that learning is co-produced by students and faculty. I will facilitate the co-production process, but you will need to exert smart effort to get something useful out of the course. There are four major components of the co-production process:

1. Participation in class and case discussions (individual)

All students should read each case and conduct sufficient analysis to be able to address the questions asked in the case. I will try to indicate the type of analysis I expect **all** students to undertake for **every** case early in the semester. If you are not prepared to do your part you can expect your grade to suffer accordingly. You can expect to be cold-called at any stage to help our discussion. Please bring name cards to class.

The cases provide you an opportunity to take the ideas/frameworks discussed in the course and apply them in practice. **If you cannot attend a session or are unprepared, please let me know beforehand.** In addition to case discussions, I expect student to contribute constructively during lectures with examples and critiques. In the past, students that actively participate in a constructive and positive fashion have typically done very well in this component as well as other components of the course.

2. Case summaries (individual)

We will be discussing twelve cases in this course. You need to write summaries for any ten of those cases. I expect these summaries to be one page at most, with a maximum of a two page appendix with analysis. I will provide an example case summary in the first week of classes. All case summaries are due before the class in which the case is being discussed.

3. Course papers

There are two required course papers:

1. Two page paper describing customers in your STRATSIM market (describe who they are, what benefits they seek, what are the appropriate ways to segment them, etc.)
2. Two page paper describing competition in your STRATSIM market (describe current and potential competition, who has competitive advantage in the market, why, etc.)

4. STRATSIM simulation

You will be participating in a marketing strategy simulation as a group. Each group will represent the top management of a car manufacturing firm and you will compete against other car manufacturers in a variety of product-markets. The simulation involves understanding your firm/market and developing/ implementing strategies for your firm over the course of 8 periods.

Your grade will be based how your group performs relative to other groups in your industry, the quality of your overall strategy, and the quality of your learning experience as evidenced from

your presentations and reports. 20% of the total grade will be based on your group's performance at the end of the game. This will be determined by (1) the percentage increase in cumulative net income over the course of the simulation (=cumulative net income from period 2-9 relative to income in Period 1) and (2) the percentage increase in your firm's market value over the course of the simulation (=market value in period 9 relative to market value in period 1). First place teams earn 100 points, i.e., 20% of the final grade. 2nd—90; 3rd—85; 4th—80; 5th—75. The rest of your grade depends on your presentations and the report. Teams that don't do very well can make up some ground by explaining why they didn't do well, what they learned from the experience, and how they would do things differently.

Your final STRATSIM report will describe your strategy for the future, considering the state of your firm in Period 8. This report should be a maximum of 3 pages long, with as many pages of appendices as you need to make your case. What this means is that you will need to be succinct in your strategy report.

IV. Course Assessment

Class Participation	20% (Individual)
Case Summaries	25% (Individual)
Course papers	20% (Group)
STRATSIM	
Performance	20% (Group)
Presentation	5% (Group)
Paper	10% (Group)

I will assume equal division of labor for groupwork, so pick your groups carefully.

V. Readings:

- *(recommended, but optional)* **Strategic Market Management**, 8th edition, David A. Aaker, Wiley, 2008.
- *(required)* Course bulk pack contains cases and a few initial readings. These materials will be augmented by materials distributed in class or added to the website.
- *(required)* Every student has to buy access to STRATSIM (cost is \$39.95). I will provide instructions in class to buy the software.

VI. Marketing Strategy 777: Course Schedule at a Glance

	Tues	Thurs
	---	September 6 Topic: <i>Marketing as Strategy</i>
The Marketing Audit: Where are we?	<u>WHERE ARE WE?</u>	
	September 11 CASE: <i>Citibank – Launching in Asia Pacific (A)</i>	September 13 Topic: STRATSIM Introduction
	September 18 Topic: <i>Internal Analysis</i> (<i>Advantages and Objectives:</i> What can we do? What do we want to do?)	September 20 Live case: <i>Blockbuster v Netflix</i>
	September 25 Topic: <i>External Analysis</i> (<i>Competitors and Customers:</i> What do markets value? What will they support?)	September 27 Case: <i>The Fashion Channel</i>
Generating Marketing Options	<u>WHERE CAN WE GO?</u>	
	October 2 Topic: <i>Growth Options</i> (Where can we go?)	October 4 Topic: <i>Growth Options</i> Case: <i>Webvan</i>
Marketing Planning: How can we get there? What do we do? To whom do we do it? How do we implement it?	<u>HOW CAN WE GET THERE?</u>	
	October 9 (Paper 1 due) Topic: <i>Product & Brand Management</i>	October 11 Topic: <i>How to build brands</i> Case: <i>Security Capital Trust</i>
	October 16 FALL BREAK	October 18 Topic: STRATSIM (Q&A)
	October 23 Topic: <i>How to manage brand portfolios</i> Case: <i>Akzo Nobel</i>	October 25 Topic: STRATSIM mid-term meetings
	October 30 Topic: <i>Interplay of price and product</i> Case: <i>Precise Software Solutions</i>	November 1 Topic: <i>Pricing a radically new product</i> Case <i>XM Satellite</i>
	November 6 (Paper 2 due) Topic: <i>Customer LTV Management</i>	November 8 Topic: <i>Choosing customers</i> Case: <i>Hilton HHonors</i>
	November 13 Topic: <i>Interplay between LTV and price</i> Case: <i>Virgin Mobile</i>	November 15 Topic: <i>Channels – selling through joint ventures</i> Case: <i>Eli Lilly in India</i>
	November 20 Topic: <i>Channels – selling through big name retailers</i> Case: <i>Mountain Hardware</i>	November 22 Thanksgiving Break
	November 27 Topic: <i>Allocating Marketing Resources</i>	November 29 Case: <i>Syntex Labs</i>
	December 4 Topic: <i>Marketing as Strategy</i>	December 6 STRATSIM presentations

VII. Assignments/readings

Session	Date	Topic	Assignment	STRATSIM SCHEDULE
1	Sept 6	Topic: Marketing as Strategy Aaker, Ch 1 (pg1-16) Hambrick and Frederickson (2005), Are you sure you have a strategy?, Academy of Management Executive, 19(4), 51-62.	Skim Read	
2	Sept 11	Case: Citibank: Launching the Credit Card in Asia-Pacific (A) HBS 9-595-026	Read and prepare case	
3	Sept 13			Introduction
4	Sept 18	Internal Analysis Aaker, Ch. 6 (pg 95-107)	Skim	Practice decision 1
5	Sept 20	Live Case: Blockbuster v Netflix	Read up on Blockbuster and Netflix from the Web.	Practice decision 2
6	Sept 25	External Analysis Aaker, Ch. 2-3 (pg 19-57)	Skim	
7	Sept 27	Case: The Fashion Channel, HBS 9-507-080	Read and prepare case	Practice decision 3
8	Oct 2	Topic: Growth Options (and defensive strategies)		
9	Oct 4	Case: Webvan, HBS 9-500-052	Read and prepare case	Decision 1
10	Oct 9	Topic: Product and Brand Management Keller, Kevin Lane (2000), The Brand Report Card, HBR, R00104. Kayande, et al. (2007), Mapping the bounds of incoherence: How far can you go and how much does it hurt your brand? forthcoming, <i>Marketing Science</i> .	Paper# 1 due Read and be prepared to discuss brand coherence	
11	Oct 11	Topic: How to build brands? Case: Security Capital Pacific Trust, HBS 9-500-053	Read and prepare case	Decision 2
12	Oct 16	FALL BREAK	Take a break	
13	Oct 18	Topic: STRATSIM Q&A		Decision 3
14	Oct 23	Topic: Brand portfolio management Case: Akzo Nobel UK: Managing the Brand Portfolio, IMD047 Kumar, Nirmalya (2003), Kill a Brand, Keep a Customer, HBR, R0312G	Read and prepare case, read Kumar's article on brand portfolio management	
15	Oct 25	TOPIC: STRATSIM MID-TERM MEETINGS	Prepare to explain strategy	Decision 4

Session	Date	Topic	Assignment	STRATSIM SCHEDULE
16	Oct 30	Topic: Interplay of price and product (and launch timing) Case: Precise Software Solutions, HBS 9-503-064	Read and prepare case	
17	Nov 1	Topic: Pricing a radically new product Case: XM Satellite (A), HBS 9-504-009	Read and prepare case	Decision 5
18	Nov 6	Topic: Customer Lifetime Value Management Reinartz, Kumar (2002), The Mismanagement of Customer Loyalty, R0207F. Dowling, Uncles (1997), Do Customer Loyalty Programs Really Work? Sloan Management Review, SMR031	Paper # 2 due Read articles	
19	Nov 8	Topic: Loyalty programs Case: Hilton HHonors, HBS 9-501-010	Read and prepare case	Decision 6
20	Nov 13	Topic: Interplay between LTV and Price Case: Virgin Mobile USA: pricing for the very first time, HBS 9-504-028	Read and prepare case	
21	Nov 15	Topic: Selling through joint ventures Case: Eli Lilly in India, Ivey 904M16	Read and prepare case	Decision 7
22	Nov 20	Topic: Selling through a national retailer Case: Mountain Hardware (A): The Early Years, Stanford E228A	Read and prepare case	Decision 8
23	Nov 22	Thanksgiving break	TGITB	
24	Nov 27	Topic: Allocating Marketing Resources	Read Lilien and Rangaswamy (to be distributed in class)	
25	Nov 29	Topic: Allocating resources Case: Syntex Labs, HBS 9-584-034	Read and prepare case	
26	Dec 4	Recap: Marketing as Strategy		
27	Dec 6	STRATSIM presentations	Prepare to present strategy	STRATSIM strategy report due