

**The Wharton School
University of Pennsylvania
MKTG 777-003: Marketing Strategy
Fall 2007**

Instructor:	Professor Ujwal Kayande	Class Hours:	1:30-3pm, 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 fourteen 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 selected company/industry (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 selected company/industry (describe current and potential competition, who has competitive advantage in the market, why, etc.)

4. Strategy Aid Project

Good marketing strategists recognize that there is no such thing as a free lunch – tradeoffs are inherent in almost every decision a marketer makes. Marketers must understand the tradeoffs and choose strategic options after evaluating the benefits and costs of those options. Strategy development is then an exercise in optimization. This project requires you to develop tools that will help managers in your selected company/industry make better decisions. The frameworks developed in this course will help serve as the foundation for these tools. Some example projects are:

- i. New brand go/nogo analyzer: Evaluates whether to launch a new brand concept, and how to launch it (positioning).
- ii. Growth option generator and evaluator: Generates and evaluates strategic options
- iii. Brand Portfolio Rationalizer: Provides advice on which brands to retain, which to drop, and how much to support retained brands
- iv. Pricer (pricing strategizer): Prices your product/service by taking into account the intangible effects of price on other components of the marketing mix
- v. Brand extension analyzer: Generates extension options and evaluate best options
- vi. Coherence analyzer: Understands net effect of brand differentiation

You need to develop the tool and demonstrate its usefulness by applying it to your selected company/industry. You also need to develop a 3 page strategy document to market the tool (include as many appendices as required).

IV. Course Assessment

Class Participation	30% (Individual)
Case Summaries	20% (Individual)
Course papers	20% (Group)
Strategy Aid Project	30% (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.

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 CASE: <i>Citibank – Launching in Asia Pacific (A)</i>
	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: <i>How <u>not</u> to build brands</i> Case: <i>Land Rover of North America</i>
	October 23 Topic: <i>How to manage brand portfolios</i> Case: <i>Akzo Nobel</i>	October 25 Topic: <i>How to market really new products</i> Case: <i>Polyphonic HMI</i>
	October 30 Topic: <i>Interplay of price and product</i> Case: <i>Precise Software Solutions</i>	November 1 Topic: <i>Pricing a really 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 Strategy Aid project

VII. Assignments/readings

Session	Date	Topic	Assignment
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	Case: Citibank: Launching the Credit Card in Asia-Pacific (A) HBS 9-595-026	Read and prepare case
4	Sept 18	Internal Analysis Aaker, Ch. 6 (pg 95-107)	Skim
5	Sept 20	Live Case: Blockbuster v Netflix	Read up on Blockbuster and Netflix from the Web.
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
8	Oct 2	Topic: Growth Options (and defensive strategies)	
9	Oct 4	Case: Webvan, HBS 9-500-052	Read and prepare case
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
12	Oct 16	FALL BREAK	Take a break
13	Oct 18	Topic: How not to build brands Case: Land Rover of North America, HBS 9-596-036 Keller, Sternthal, Tybout (2003), Three Questions you need to ask about your brand, HBR, R0209F.	Read and prepare case
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: Marketing really new products Case: Polyphonic HMI: Mixing Music and Math, HBS 9-506-009	Read and prepare case

Session	Date	Topic	Assignment
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 really new product Case: XM Satellite (A), HBS 9-504-009	Read and prepare case
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
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
22	Nov 20	Topic: Selling through a national retailer Case: Mountain Hardware (A): The Early Years, Stanford E228A	Read and prepare case
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	Strategy Aid Project	Prepare to present project and learning Project due