

The Wharton School
University of Pennsylvania

MKTG 277/777: Marketing Strategy
Fall 2008

NOTE: This syllabus is tentative. Minor changes might be made before September 3.

Administrative details

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Overview and objectives

The purpose of this course is to help you develop expertise in evaluating and formulating strategic marketing decisions. Strategic decisions, unlike tactical decisions, have long term effects and are costly to change once implemented. Thus, any strategic decision should be based on a solid understanding of both the market status, and consider the long term influence of the most important assets of the firms: customer equity and brand equity.

In this course we will deepen the understanding of how marketing relates to the key issues in business strategy: understanding the market status and competition status, segmentation, choosing target customers, choosing business scope, defining and creating value, appropriating value, and sustaining value. The course is designed to help participants -

- Analyze key marketing ideas and phenomena, especially the core theme of delivering superior value to customers.
- Develop an appreciation for important marketing assets (e.g., brands, loyal customers), and learn how to enhance them.
- Gain familiarity with the functional marketing strategies (e.g., brand, new product, international marketing strategies) and enhance problem solving and decision making abilities in these areas.

- Acquire basic skills in analytical approaches to strategic marketing issues (i.e., develop some foundation in marketing modeling and marketing science).
- Experience in writing a marketing plan.

The course will discuss in details many subjects which were learned in the core courses in Marketing and Strategy. This is a capstone course in marketing that “ties everything together.” It is a generalist’s course, not a specialist’s course: we will not spend a large amount of time on one marketing mix variable or marketing function. Instead, all marketing mix variables will be discussed in an integrated way, with a focus on the fundamental, strategic marketing issues that confront senior management.

We will use the experience gained from variety of industries and countries, with special emphasis on examples from countries outside the US.

Learning methods

The course uses a combination of lectures, cases, class discussions and readings.

Lectures will be used to introduce new concepts, frameworks and tools that are important for conducting a thorough marketing analysis and developing marketing strategy and programs. These lectures will be interactive rather than simply a monologue.

Each class is either primarily a lecture or a case discussion. Lecture sessions and case sessions typically alternate, with the lectures introducing material relevant to the subsequent case. Copies of the lecture notes and data I will be using will be available at the course site. Typically, the slides are not complete and will need to be annotated during the lectures, so if you miss a class you will need to get annotations from a colleague.

You will be asked to read the required material from the reading list below before each class. You are expected to be able to participate in class discussions based on these readings. The lectures will complement the text and will not attempt to cover all points raised in the reading.

We use two textbooks in this course:

- Aaker, David A. Strategic Market Management, Wiley (8th edition) 2007.
- Lehmann Donald and Russell Winer. Analysis for Marketing Planning. Mc-Graw Hill (7th edition) 2008.

The books complement each other, and both are needed.

In addition, we discuss cases, which illustrate managerial dilemmas and market scenarios. The cases are contained in the course reading packet. Additional material will be posted on the course Website.

Assessment

1. Class Participation	20% (individual)
2. Case Reports	30% (couples)
3. Individual Case Memos	10% (individual)
4. Marketing Plan	40% (couples)

Class participation

Regular class participation is expected and will be a part of the grade. Grading class participation is necessarily subjective. Some of the criteria for evaluating effective class participation include:

- Is the participant prepared? Do their comments show evidence of deep case and readings analysis (vs. stating the facts)?
- Is the participant a good listener? Are the points made relevant to discussion?
- Is the participant an effective communicator? Are concepts presented in a concise and convincing fashion?

You should be prepared for all case discussions on the cases and the reading materials. In addition, be expected to be “cold called” during a discussion, either about a case or a reading.

Case Reports

You will be asked to submit 5 Harvard Business School case reports out of the case list. The cases describe managerial scenarios which require strategic decisions.

In each report, you should address the questions that will be distributed via the class website. Questions can be either qualitative or require computations. *Reports will be submitted in singles or pairs*, the typical length of a case report is 2000 words (about 4 pages written in 1.5 lines space, font 12).

The cases will be discussed in class. The case discussions are a critical component of the learning process for this course. You should be prepared for all case discussions whether the cases were written individually or with a partner. You will be evaluated on both the quantity *and* quality of the participation. Expect to be “cold called” during a discussion. We will also use creative discussion methods such as simulations, exercises, games and contests.

Individual Case Memos

Each person must hand in an individual short memo on each case (except for the five cases that turn in as case reports). This memo should be no more than one page in length and should briefly summarize the answer to each of the case questions. You will receive credit simply for handing in each of these reports on time. These reports will not be individually graded or returned, however, they will be used to help determine final grades for people close to the letter cutoffs.

Marketing Plan

The Marketing Plan describes and outlines the strategic decisions, and is one of the important tools used by marketing managers. *Plans will be submitted in singles or pairs.* The marketing plan will be written for *Clocky: The runaway alarm clock*, based on the case contained in the Reading Pack.

Writing a marketing plan is a long and time-consuming process, and you are warmly advised to start working on it from the 3rd week of the course, following the course progress.

We will have a competition among all the marketing plans – the winning plan will be presented in the last meeting. The prize: A bonus of 10 points + a surprise!

More details on the marketing plan will be provided in class.

I look forward to meeting you on the first day of class. If you have any questions regarding the course, please feel free to contact me.

Class schedule at a glance

SESSION	Week	DAY	DATE	Class Content	TYPE
1	Sep 3	Wed	Sep 3	Introduction – <i>why planning fails?</i>	
I. How are we doing? Understanding value					
External analysis – Knowing our environment					
2	Sep 8	Mon	Sep 8	Competition – <i>Defining the competitive set</i> <i>Performance metrics</i>	Theory
3		Wed	Sep 10	Competition -Dell	Case
4	Sep 15	Mon	Sep 15	Customers - B2B markets	Theory
5		Wed	Sep 17	Segmentation: <i>Choosing segmentation bases</i>	Theory
6	Sep 22	Mon	Sep 22	Segmentation based on situation/use: <i>Gallardo's</i>	Case
7		Wed	Sep 24	Mass customization –<i>segments of 1?</i>	Theory
Internal analysis – Knowing and measuring our assets					
8	Sep 29	Mon	Sep 29	Customers – <i>customer lifetime value</i>	Theory
9		Wed	Oct 1	Customers – <i>customer equity</i>	Theory
10	Oct 6	Mon	Oct 6	<i>Rosewood Hotels</i>	Case
11		Wed	Oct 8	Brand equity	Theory
12	Oct 20	Mon	Oct 20	<i>Mountain Man Brewing company</i>	Case
II. Where are we going? Defining value					
Targeting – Choosing customers					
13		Wed	Oct 22	Targeting New vs. Existing customers	Theory
14	Oct 27	Mon	Oct 27	Targeting the influentials: <i>HSBARO Games POX</i>	Case
15		Wed	Oct 29	Targeting the innovators?	Theory

Positioning					
16	Nov 3	Mon	Nov 3	Classical positioning: <i>Tanishq</i>	Case
17		Wed	Nov 5	Blue Ocean Strategy	Theory
II. Functional area strategies – sustaining and increasing value					
18	Nov 10	Mon	Nov 10	Brand Management - <i>Diesel</i>	Case
19		Wed	Nov 12	Issues in brand management – <i>Product line management</i> <i>Brand extensions</i> <i>Private labels</i> <i>Brand ethics</i>	Theory
20	Nov 17	Mon	Nov 17	New product strategies – pioneering advantage <i>Is it good to be the first to market?</i>	Theory
21		Wed	Nov 19	<i>Product team Cialis</i> <i>Submit the marketing plan</i>	Case
22	Nov 24	Mon	Nov 24	New product strategies – international marketing	Theory
23		Wed	Nov 26	Managing Satisfaction and Loyalty	Theory
24	Dec 1	Mon	Dec 1	<i>Harra's entertainment</i>	Case
25		Wed	Dec 3	Course summary – Presenting the winning marketing plan	

Remark: Case reports and memos should be submitted in hard copy in the beginning of the session in which they are discussed.

Cases

Dell- Overcoming roadblocks to growth, Hong Kong University Case by Ali Farhoomand and Mary Ho (2006). Product number HKU575.

Gellardo's goes to Mexico, Harvard Business School Case by Clayton Christensen (2005). Product number 605-072.

Rosewood Hotels and Resorts: Branding to Increase Customer Profitability and Lifetime Value, Harvard Business School Case by Chekitan S. Dev and Laure Mougeot Stroock (2007). Product number 2087.

Mountain Man Brewing Co.: Bringing the Brand to Light, Harvard Business School Case by Heide Abelli (2007). Product number 2069.

Hasbro Games: POX (A), Harvard Business School Case by David Godes and Elie Ofek (2004). Product number 505046.

Hasbro Games: POX (B), Harvard Business School Case by David Godes and Elie Ofek (2004). Product number 505047.

Tanishq: Positioning to Capture the Indian Woman's Heart, Harvard Business School Case by Das Narayandas and Kerry Herman (2007). Product number 507025.

Diesel for Successful Living: Branding Strategies for an Up-market Line Extension in the Fashion Industry, INSEAD Case by Vadim Grigorian (2004). Product Number 02/2004-4948.

Product Team Cialis: Getting Ready to Market, Harvard Business School Case by Elie Ofek (2004). Product number 505038.

Harrah's Entertainment, Inc., Harvard Business School Case, by Rajiv Lal and Patricia Martone Carrolo (2001). Product Number 9-502-011.

For the marketing plan:

Clocky: The runaway alarm clock, Harvard Business School Case, by Elie Ofek and Eliot Sherman (2006). Product number 507016.

This case will be used only for the marketing plan. No case memo is required, do not select it for a case report.

Readings

The following table contains the reading material for each session. Usually reading are due to theory sessions, while in the case sessions we will focus on case discussions. Readings which are not a part of the textbooks are found in the reading pack. Supplemental material will be distributed via the course webCafe site.

SESSION	DATE	Subject	READINGS
1	Sep 3	Introduction	Aaker Ch. 1: Business strategy – concepts and trends Aaker Ch. 2: Strategic market management L&W Ch. 1: Marketing planning
2	Sep 8	Competition	Aaker: Ch. 3 – pp. 44-48 External analysis Aaker: Ch. 4-6: Competitor analysis, Market analysis, Environment analysis (skim) L&W Ch. 2: Defining the competitive set L&W Ch. 3: Industry analysis

			L&W Ch. 4: Competitor analysis (skim)
3	Sep 10	Competition	Case: <i>Dell</i>
4	Sep 15	B2B markets	<i>Building loyalty in business markets</i> , Das Narayadas (2005) HBR Sep. Product number R0509H. <i>Major Sales: Who Really Does the Buying?</i> Thomas Bonoma (2006) HBR Jul. Product number R0607P.
5	Sep 17	Segmentation	Aaker Ch. 3: pp. 49-53 Segmentation L&W Ch. 5: pp. 141-165 Segmentation
6	Sep 22	Segmentation	Case: <i>Gallardo's</i>
7	Sep 24	Mass customization	<i>The Four Faces of Mass Customization</i> , James Gilmore and Joseph Pine (1997) HBR Jan. Product number 97103.
8	Sep 29	Customer lifetime value	L&W 245-247
9	Oct 1	Customer equity	<i>Customers as Assets</i> , Sunil Gupta and Donald Lehman (2003) <u>Journal of Interactive Marketing</u> , Vol. 17 (1), p. 9-24. <i>Seven Barriers to Customer Equity Management</i> Bell, Deighton, Reinartz, Rust and Schwartz (2002), <u>Journal of Service Research</u> , Vol. 5, p. 77-86.
10	Oct 6	<i>Rosewood Hotels</i>	Case: <i>Rosewood Hotels</i>
11	Oct 8	Brand equity	L&W Ch. 7: 228-236 <i>Measuring Brand Equity Across Products and Markets</i> , David Aaker (1996) <u>California Management Review</u> , Spring, 103-119. <i>How Global Brands Compete</i> , <u>Harvard Business Review</u> , Vol. 82 (9), p. 68-75. Douglas B. Holt John A. Quelch and Earl L. Taylor (2004)
12	Oct 20	<i>Mountain Man Brewing company</i>	Case: <i>Mountain Man Brewing company</i>
13	Oct 22	New vs. Existing customers	Aaker Ch. 9 pp. 182-185 Choosing strategies Aaker Ch. 12-13 Growth Strategies, Diversification (skim) <i>Managing When Customer Equity Matters</i> , Dominique M. Hanssens, Daniel Thorpe, Carl Finkbeiner (2008). HBR May. Product number R0805J.
14	Oct 27	Targeting the influentials	Case: <i>HSBARO Games POX</i>

15	Oct 29	Targeting the innovators?	Geoffrey Moore, <i>How High-Tech Markets Develop</i> , Chapter 2 in <i>The Gorilla Game</i> , 1999
16	Nov 3	Classical Positioning	Case: <i>Tanishq</i> L&W Ch. 7 pp. 221-245
17	Nov 5	Blue Ocean Strategy	Aaker Ch. 11 (focus on Low Cost) <i>Blue Ocean Strategy</i> , W. Chan Kim, and Renee Mauborgne (2004), Harvard Business Review. Product number R0410D,
18	Nov 10	Brand Management	Case: <i>Diesel</i> Aaker Ch. 10 pp. 202-212 Brand Management
19	Nov 12	Issues in brand management	<i>The Brand Report Card</i> , Kevin Lane Keller (1999), <u>Harvard Business Review</u> Product Number R00104. <i>Three Questions You Need to Ask About Your Brand</i> , Kevin Lane Keller, Brian Sternthal, and Alice Tybout (2002), <u>Harvard Business Review</u> Product Number R0209F.
20	Nov 17	Pioneering advantage	<i>Pioneering advantage: Marketing Logic or marketing legend?</i> Peter Golder and Gerard Tellis (1993) Journal of Marketing Research pp. 158-170.
21	Nov 19	<i>Product team Cialis</i>	Case: <i>Product team Cialis</i> Submit the marketing plan
22	Nov 24	International marketing	Aaker Ch. 15 <i>The Role of Seeding in Multi-Market Entry</i> , Barak Libai, Eitan Muller and Renana Peres (2005), International Journal of Research in Marketing, 22(4), 375-393.
23	Nov 26	Managing Satisfaction and Loyalty	<i>Lead for Loyalty</i> , Frederick Reichheld (2001) <u>Harvard Business Review</u> , 79 (Jul/Aug), 76-82. <i>The Loyalty Effect – The Relationship between Loyalty and Profits</i> , Frederick Reichheld (2001), <u>European Business Journal</u> 12 (3), 134-39.
24	Dec 1	<i>Harra's entertainment</i>	Case: <i>Harrah's entertainment</i>
25	Dec 3	Summary	

L&W: Lehmann & Winer