

# MARKETING STRATEGY

## SPRING 2009

**Professor Sandy Jap**

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**Office hours: 3-6p Tues & Wed or by appointment**

**Tuesday & Thursdays**

**777:** 9a-1030a in F90

**277/777:** 1030a-N in F90

**277:** 130p-3p in F94

### Overview

This elective course builds upon your understanding of marketing in the core classes to examine four critical paths to competitive advantage in today's marketplace:

1. Customer analytics – customer relationship management, lifetime and RFM analysis, loyalty programs
2. New media communication strategies – search engine marketing, web-enabled phenomena such as blogging, social networks and website design.
3. Strategic partnering – channel alliances and relationship management strategies
4. New product development processes and organization – the voice of the customer, needs analysis, and concurrent processes.

Broadly, these four topics support the development of successful and profitable long-term relationships with customers.

The purpose of the course is to provide you with the relevant frameworks, tools, and processes for more effective management of these areas, including the advantages, limitations, common uses and some best practice examples. This is accomplished through case studies, lectures, team projects and assignments, and simulations.

The course is most helpful to individuals who are targeting marketing management (whether brand, sales, or research and strategy) and general management positions, consultants, and entrepreneurs. Forces such as the availability of extensive customer databases, the Internet, and the need to partner and manage organizational networks and alliances have put the issues in this course front and center in business. Many consulting companies and agencies now have special practices in these areas, so a grounded understanding of these areas can benefit a wide variety of students.

### Organization

**Format.** The general format of the course is to alternate between class and case discussions. Class discussions emphasize the key principles and issues in an area and provide the frameworks necessary for case analysis and integration of the text chapters. There will be an emphasis in class on

*applying* the readings and *analyzing* the case content, so it is imperative that you read or analyze the required materials prior to class.

The best way to be prepared for a case discussion is to discuss the case with your classmates and write down your answers and analysis for each question *prior* to class. Be as thorough as possible and try to use all the data in the case to support your reasoning. During the course of the discussion, you will be asked to provide your responses along with the responses of others. The best way to *learn* from the discussion is to note additional perspectives of your classmates and to pay careful attention to the closing summary. If you would like more specific guidance on how to read, analyze, and prepare for case discussion, please refer to the handout entitled, “Preparing for Case Discussion” at Web Café.

**Interaction.** A large part of doing business involves interaction with others. Today’s managers must not only have superior analytical capabilities, but they should also be able to clearly articulate their ideas to a group of their peers. This is because in many cases and problems, there is rarely a single *right* answer. Instead, there are *better* answers and options that are discovered via collaborative discussion together. Hence, the format of this course will be *highly interactive*; the overall goal is to provide you an opportunity to develop this critical skill. In each classroom session, there will be an attempt to encourage **every individual** to speak at some point during the class session. Your regular attendance and participation in class may be (un) helpful at the margins – i.e., if your grade is on the cusp – but is not guaranteed to be sufficient.

My teaching philosophy is that students learn best when they must actively engage in and wrestle with marketing concepts and theories. Hence, you will be offered competitive simulation experiences specifically designed to challenge your marketing and management capabilities and fully engage your physical, mental, social, (and even emotional) processes. You will also be asked to conduct a search engine marketing campaign for an organization of your choice (e.g., a local business or non-profit organization). Unlike case discussions, the simulations and campaign will provide you with feedback about your marketing decisions and require you to “live with the consequences,” over multiple periods. A natural by-product of these exercises is that they require you to interact with and successfully manage your work efforts with your classmates. Your success will depend not only on your efforts, but the efforts of your entire team together.

**Simulation.** One simulation, called *NPISim*, explores concepts in new product development, business-to-business marketing, and channel coordination. This simulation requires an all day (830a-6p) experience. Hence, **it will be offered on Friday, Saturday, and Sunday, April 17-19** to avoid class conflicts. You will be asked to sign up for one all day session in advance. There is no advance preparation required, but you will be responsible for a related assignment after the simulation. Because of the need to meet outside our regularly scheduled class time, we will not meet during our regularly scheduled classes on April 7, 9, 21, and 28. We will effectively end our semester on April 23.

**Search engine marketing campaign.** Approximately ¼ of the course time will be devoted to tools for managing new, interactive media channels. As part of this, your team will be asked to conduct and analyze a search engine marketing campaign for a small/mid size business using Google’s AdWords

program, which is the dominant platform on the web (see <http://www.google.com/onlinechallenge/adwords.html>). You will be given a \$200 budget to design and test a live campaign over a three week period. This is a differential skill that will help you compete for positions with new media responsibilities. An overview of the campaign as it will be run in the context of the Google Online Marketing Challenge is at <http://www.google.com/onlinechallenge/index.html>

## Materials

The course pack is available from Reprographics. This pack contains the cases you will need this semester.

There is no required textbook for the course. However, I will make some related textbooks available at the Reserves Desk of the Lippincott Library and will share additional resources throughout the course of the semester.

## Grading

In this subject, as in all subjects at Wharton, the goal is to help you learn the material so that you can become a better manager. There are many ways to succeed in this course, so please do not become overly focused on the grade. The components of your final grade will be weighted as follows:

4 Team Writeups – you choose	
2 Analytics Cases	30%
2 B2B Cases	30%
Search Engine Marketing Campaign (Team)	25%
2 individual share and learns (S&L) – your choice	5%
Individual Class participation	10%

There will be no final exam in this course.

**Teamwork.** You will be asked to form a team of minimum 3 and maximum 4 individuals of your choice by the second class session. If you have not chosen a team by then, you will be randomly assigned to one. You have the option of reforming your team over the course of the semester for each and every team project. This is at your prerogative and should be handled informally among yourselves. Every team member will receive the same grade for team based projects. However, I reserve the right to ask for anonymous feedback on individual efforts if necessary.

**Write-ups.** Your team will have a choice of three cases to choose from on Customer Analytics and B2B. The choices for the Customer Analytics cases are: Tuscan Lifestyles CLV, Tuscan Lifestyles RFM, or Cabo San Viejo. The choices for the B2B cases are: Making Markets at Manheim., Laura Ashley and FedEx, and San Fabian. All write-ups are collected at the start of class; you should keep a copy to refer to during class discussion and put an electronic copy in your project folder at WebCafe. Late assignments will receive at most half credit.

The write-up consists of no more than 3 single-spaced (12 pt font) pages of *thoughtful* response and *quantitative analysis* of the discussion questions that accompany each case. A document called, “Guidelines for Case Write-Ups” can be found at the Web Café that details the format to follow. Another document, “Case Questions,” contains the related questions for each case (this can also be found at the Web Café. These write-ups will be graded based on the correctness of your answer (where there is a correct answer), the logic of your approach and thinking, and the clarity of your write-up.

**Share and Learn.** Throughout the semester, at the start of class, you will have opportunity to contribute to class discussion by sharing an emerging trend or best/worst practices in the marketplace related to our topic of the day. These stories are based on your daily readings of newspapers, magazines, RSS feeds, or the business press. S&L opportunities can occur at any time throughout the semester. In order to gain credit for these, you will need to turn in a copy of the newspaper/magazine article at the start of class.

**Class participation.** Constructive contribution, active participation, and thoughtful discussion are important. A working assumption is that you have done the assigned readings and are prepared to talk about them. You are expected to prepare every case for discussion, even if you have not opted to turn in a write-up that day. When you read the Wall Street Journal or business magazine, find relevant articles and share them in class! Your grade will be based on the (1) quality (and balanced quantity) of responses to case/discussion questions, (2) thoughtful responses/follow-ups to a point made by your classmates (including alternate points of view), and (3) current news from the business press relevant to the course topics that you bring/refer to in class (S&Ls). I will be looking for evidence that you have read, thought about, and applied the concepts and tools from class and the readings. **Please bring your name tent to every class.** At the end of the course, I will ask you (confidentially) to identify those students in each section who you judge to have made the most valuable contributions to class discussion.

Of course, class participation cannot be earned if you are not present in class. Regular attendance is expected, and will be randomly recorded throughout the semester. Your attendance percentage will account for ½ of your potential participation points. You do not need to notify me of your absences in advance.

**Policy.** The process of assigning grades involves a great deal of care and deliberation. A lot of effort is made to develop a process that will yield an appropriate grade. If you feel that there has been an error in the calculation of your grade or it is not commensurate with your response, you can submit it for re-grading up to two weeks of having received your grade. Be aware that a re-grade can lead to a higher or lower revised grade. Fairness is crucial in grading, but it is not in your interests to disingenuously make arguments about fairness in the hopes that it would lead to a changed grade.

Your grade will be a reflection of your demonstrated mastery of the material and nothing more. I will strive to ensure that students are treated consistently – in other words, I will never give a student any preferential treatment over another. Deadlines for guest speakers, class meetings, and policies should be treated as a priority.

## Expectations

It is your responsibility to check the web café **daily** for handouts, updates, and critical course announcements. Slides for class discussions will be available by the day before class. If you would like to write on a copy *during* the class discussion, then download the slides and bring it to class. In the interest of saving trees, I will only distribute slides as necessary to support case discussions. The slides are not complete – they will need to be annotated during the lectures. If you miss a class, make sure you get annotations from a classmate. In the spirit of continuous improvement, the slides are subject to change. The slides serve as a guideline for discussion; do not be distressed if we do not discuss every slide during the course of a class session.

Please treat the classroom as a professional environment and our times together as professional appointments. Come to class on time and prepared to participate. Those who arrive late will be required to deposit \$2.00 into a fund to be donated to a charity at the end of the term. Please do not leave the room in the middle of the class and then return. I understand that you may on occasion need to leave class early or arrive late. If this is the case, please sit on the end of the aisle to avoid bothering other students.

Bear in mind that the class is designed to create an effective learning environment for *you* and you are expected to be an *active* partner in this process. Don't hesitate to approach me informally with questions, concerns or suggestions as to how to improve your experience in the class.

The school enforces a strict honor code and there will be **zero tolerance** for violations of the code in this class. It is a violation of the honor code to: (a) give or receive unauthorized assistance on an assignment or project, and (b) have knowledge of someone else's violation and not report it.

Finally, as a courtesy to your friends and family, please be sure to turn on your cell phones, PDAs, pagers, laptops and all other forms of mobile technology as you leave the class.

## Professor Bio

Website: <http://goizueta.emory.edu/Faculty/SandyJap/index.html>

Sandy Jap is currently on leave at the Wharton School at the University of Pennsylvania. Her research focuses on the development and management of interorganizational relationships and e-procurement activities involving industrial online, reverse auctions. She has developed mathematical models for analyzing and forecasting bidding strategies and written numerous papers on effective auction design. Her research efforts have been conducted in a number of industries, including the aerospace, automotive, chemical, petroleum, high-tech and consumer product industries. It has also received significant attention from the academic community and the marketplace, including the *Wall Street Journal*, *CFO Magazine*, and *Harvard Business Review*. She is an editorial board member at leading marketing journals and her work appears in a variety of books and journals. Professor Jap has won numerous awards for her impact on the field. Prior to joining the Goizueta Business School, she was on the faculty at the Sloan School of Management at the Massachusetts Institute of Technology from 1995-2001. She received her PhD from the University of Florida (Go Gators!).

## COURSE SCHEDULE

#	Date	Topic
1	1/15 R	<b>Introduction &amp; Overview</b>  <b>Read</b> Why Service Stinks, <i>BusinessWeek</i> Turn Customer Service Into Profitability, <i>Management Review</i> The Google Online Marketing Challenge Student Guide 2009 (at webCafé) Overview at <a href="http://www.google.com/onlinechallenge/">http://www.google.com/onlinechallenge/</a>
		<b>CUSTOMER ANALYTICS</b>
2	1/20 T	<b>Customer Relationship Management</b>  <b>Read</b> A Framework for Customer Management, by Winer (CMR209) This is a Marketing Revolution, <i>Fast Company</i> Sections 1a & 1c of <a href="http://www.google.com/adwords/learningcenter/">http://www.google.com/adwords/learningcenter/</a>  Sign up a 4 person team at webCafé
3	1/22 R	<b>Customer Lifetime Value</b>  <b>Read</b> Tuscan Lifestyles Case* Catalogers Use of Lifetime Value, by Hughes  Setup and open your team's AdWords account Turn in company name for SEM project
4	1/27 T	<b>Recency, Frequency, Monetary Analysis</b>  <b>Read</b> Tuscan Lifestyles RFM Case (v2)* RFM: Is it "Kudzu" or is it Gold, by Hughes Sections 2b & 2c of <a href="http://www.google.com/adwords/learningcenter/">http://www.google.com/adwords/learningcenter/</a>  <b>Optional:</b> Recency, Frequency, and Monetary (RFM) Analysis
5	1/29 R	<b>CRM Guest Speaker</b> Michael Thomas, Director of CRM & Social Media Strategy Neighborhood America , <a href="http://www.neighborhoodamerica.com/">http://www.neighborhoodamerica.com/</a>  <b>Read</b> Section 3 of <a href="http://www.google.com/adwords/learningcenter/">http://www.google.com/adwords/learningcenter/</a>
6	2/3 T	<b>Loyalty Programs</b>  <b>Read</b> Cabo San Viejo Case* (#506060)

		Get Me Out of This Line!, <i>Newsweek</i> Diamonds in the Data Mine, by Loveman (R0305H)
		<b>NEW MEDIA</b>
7	2/5 R	<b>Search Engine Marketing</b> Be prepared to share your team's strategy and evaluate others' strategies Google Pre Campaign Strategy Statement due Turn in 2 questions for SEM guest speaker  <b>Read</b> Section 5 of <a href="http://www.google.com/adwords/learningcenter/">http://www.google.com/adwords/learningcenter/</a> Note additional resources and tactics are located in the Google file folder at web Café and at <a href="http://www.google.com/adwords/learningcenter/index.html">http://www.google.com/adwords/learningcenter/index.html</a>
8	2/10 T	<b>Search Engine Marketing Guest Speaker</b> Ken Robbins, President ResponseMine, <a href="http://responsemine.com/default.jsp">http://responsemine.com/default.jsp</a>  <b>Read</b> Section 6, 7, and 8 of <a href="http://www.google.com/adwords/learningcenter/">http://www.google.com/adwords/learningcenter/</a>
9	2/12 R	<b>Email Campaigns</b>  <b>Read</b> Information Based Credit Card Design (UVA-M-0731)
10	2/17 T	<b>Email Campaigns Simulation Debrief</b>  Please bring the Progressive Insurance case to class
11	2/19 R	<b>Website Testing &amp; Design</b>  <b>Read</b> Progressive Insurance (UVA-M-0762) The Advantages of Multivariable Testing
12	2/24 T	<b>Blogging</b>  <b>Read</b> A Blogger in Their Midst Case (R0309X)
13	2/26 R	<b>New Media Guest Panel</b> Kurt Mueller, Executive Vice President, Roska Digital Advertising John Young, Vice President of Marketing, Comcast Interactive Media
		<b>B2B MANAGEMENT</b>
14	3/3 T	<b>Channels 2.0</b>  <b>Read</b> The New E-Commerce intermediaries, by Anderson & Anderson (SMR086) Leveraging Internet Technologies in B2B Relationships, Jap & Mohr (CMR233) Going, going gone, Jap (HBR #F00606)
15	3/5 R	<b>Conflict</b>  <b>Read</b> San Fabian Case* (HBS #582104)

16	3/17 T	<b>MultiChannels</b>  <b>Read</b> Making Markets at Manheim* The Long Tail, <i>Wired</i>
17	3/19 R	<b>MultiChannel 2.0 Guest Speaker</b> Hal Logan, Senior Vice President, Strategic Planning and University Relations Manheim
18	3/24 T	<b>Partnering &amp; Alliances</b>  <b>Read</b> Laura Ashley & FedEx Case* (HBS #693050) Two Firms, One Frontier: On Assessing Joint Venture Performance, Anderson
19	3/26 R	<b>Managing Relationships</b>  <b>Read</b> Building Deep Supplier Relationships (HBR R0412G) Making Relationships Work (HBR R0712B) The Dark Side of Close Relationships, Anderson & Jap (SMR# 173)
20	3/31 T	<b>Guest Speaker</b> John Gamble, Founder Tenacity Inc., <a href="http://www.tenacity.com/tenacityinc.aspx">http://www.tenacity.com/tenacityinc.aspx</a>
21	4/2 R	<b>SEM Project Work Day</b>
22	4/14 T	<b>SEM Project Presentations</b>
23	4/16 R	<b>SEM Project Presentations</b>
<b>PRODUCT DEVELOPMENT</b>		
24-27	4/17-18 F/Sa/Su	<b>New Product Simulation</b> Sign up for one of the 3 sessions at webCafé.
28	4/23 R	<b>Wrap-Up</b>

\* Choose 2 of the 3 cases in this course module to write up with your team.