

DYNAMIC MARKETING STRATEGY

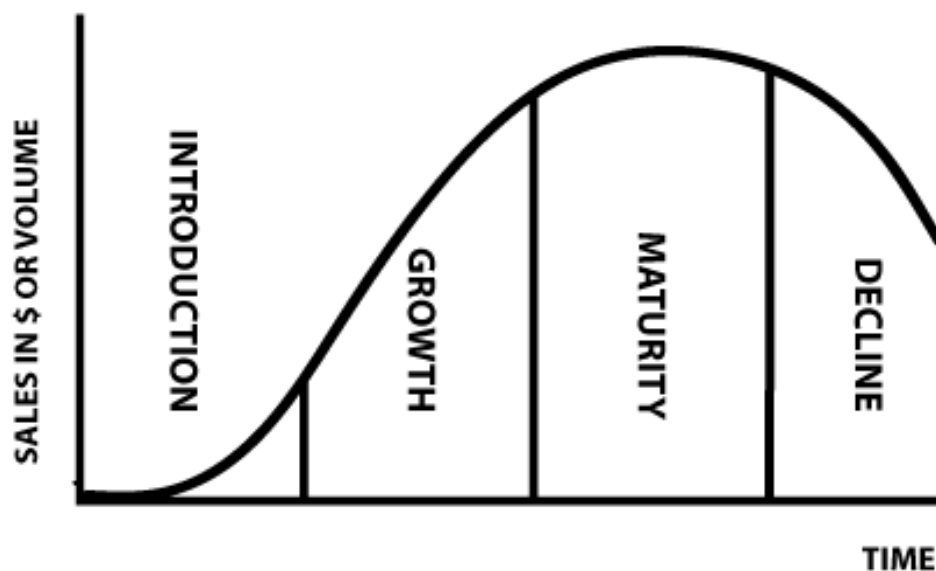
(MKTG 612)

Fall 2012, Quarter 2

COURSE DESCRIPTION, REQUIREMENTS AND ASSIGNMENTS

Professor David J. Reibstein

The William S. Woodside Professor and Professor of Marketing



Objectives

This course focuses on helping you refine your skills in developing a marketing strategy and seeing how the marketing tactics selected need to be in alignment with that strategy. We will focus specifically on issues such as the selection of which businesses and segments to compete in, how to allocate resources across businesses, segments, and elements of the marketing mix, as well as other significant strategic issues facing today's managers in a dynamic competitive environment.

All of these issues will be discussed and couched in the context of *the dynamic nature of market evolution that occurs throughout the Product Life Cycle (PLC)*, pictured above. Students will develop strategic thinking skills and learn to apply analytical tools to help formulate effective marketing tactics in each phase of the PLC.

Outline of Each Class Session

While the exact structure of each class will vary depending on whether it is a case or lecture, in general each session will have three facets:

- 1) ***The real world business problem.*** Most classes will begin with an example of a critical *current* issue that managers confront. This could be either a formal case, or a mini-case. For formal case discussions, we will assume that everyone has read and is prepared to discuss the case. It is not necessary to do any library work or bring in outside information about the company or the industry beyond what is described in the case.¹ We will focus on principles, theories, and basic applications of marketing strategy. Discussion and questions are strongly encouraged.
- 2) ***Analytical frameworks for thinking through the problem.*** For the business problem being discussed, the class will explore a range of general analytic frameworks through which the problem might be approached, and evaluate their comparative strengths and weaknesses. The purpose of this is to provide a systematic basis for narrowing down the set of candidate options, and choosing a best option in light of available data.
- 3) ***Informing the decision through data.*** Given a general analytic framework, most classes will go on to explore how greater precision can be brought to their application through the use of data---both in the form of customer insights (marketing research), and secondary data on sales, costs, and competition.

Course Materials

All course materials will be available at <http://www.study.net>

Course Website

Many of the course's activities will involve the use of Wharton's Canvas software, which you can access at: <https://wharton.instructure.com/login>

Please bookmark this website and check it as often as necessary. This site will contain copies of class handouts, and other general information about the course.

¹ All of our discussions will be based on the facts described in the case and will pertain to the problems of the company at the time of the case. Any information you might come across about facts of events taking place after the time of the case may lead you astray as to what should have been done during the critical decision period, and based on the information that was available at the time.

Grading

The weighting of the inputs for the final course grade is:

Class Participation	50%
Final Paper	50%

Missing more than two sessions will result in an automatic failure in the course.

NOTE: Classroom Participation Info:

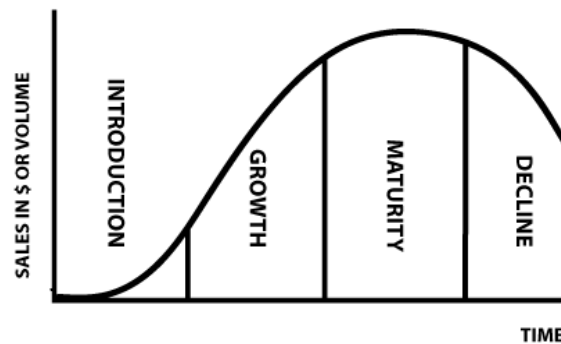
All course sessions involve active classroom discussion based on careful preparation of the readings and cases, with a focus on both theoretical questions and practical implications. You should be prepared both to share your ideas and to listen to and interpret issues presented by others. *The quality of your contribution counts for much more than the quantity.* Comments that move a discussion forward in a productive direction are particularly welcome.

In each class your participation will be scored on a 0-4 scale, first by the TA in attendance and then adjusted by me. Students who are seated in class at the regular start time would initially receive a CP score of “2”, and this value could then be either increased (or possibly decreased) based on the quality of discussions. Students who arrive late would initially receive a CP score of “1”. An unexcused absence from a class will be scored a “0”.

If you have documentable special circumstances such as time conflicts between multiple exams, illness, or grave personal difficulties such as a death in the family, you should petition the MBA Program Office, which will work with the faculty in appropriate cases to find a resolution. The MBA Program Office will require documentation of your conflict as a matter of course. See the University website (Pennbook) for policies covering absences resulting from religious observances. You should never approach your instructors with requests to reschedule exams or to make special accommodations.

If you find yourself with a conflict due to your career search or recruiting activity, you should work with the MBA Career Management Office to find a resolution. Employers cannot require a student, as a condition of his or her employment candidacy, to participate in recruiting-related activities at a time that conflicts with his or her academic schedule. An employer’s inflexibility on this issue is considered a violation of Wharton’s recruiting policies. A time conflict due to a job interview, a career pursuit or travel is not an appropriate reason to request accommodation on an academic commitment.

Course Outline



Session

1. October 25 **Thursday** (TH): *Overview of Strategic Marketing Issues*
Case: ***Kindle Fire***
2. October 30 **Tuesday** (T): *Putting together the entire marketing mix*
Case: ***Aqualisa Quartz***
3. November 1 **Thursday** (TH): *General Strategies for Market Entry—Pioneering vs. Follower (lecture)*
4. November 6 **Tuesday** (T): *Product Launch Decisions*
Case: ***The Medicines Company (A)***
5. November 8 **Thursday** (TH): *Forecasting Demand for New to the World Products*
Case: ***FutureView***
6. November 13 **Tuesday** (T): *The Branding Decision (lecture)*
7. November 15 **Thursday** (TH): *Global Brands—Where are the Chinese Brands and what would it take?(lecture)*
8. November 20 **Tuesday** (T): *Multi-Product Resource Allocation*
Case: ***The Piel Company***
9. November 27 **Tuesday** (T): *Dealing with Competition. The Pricing Simulation (meet in the computer labs)*
10. November 29 **Thursday** (TH): *Marketing in the Decline Stage*
11. December 4 **Tuesday** (T): *Marketing and Social Media*
12. December 6 **Thursday** (TH): *Marketing Metrics: The Financial Value of Marketing*

Final Paper

Choose from one of the topics below and write a paper on this subject. Alternatively, you can propose a topic as an alternative. You must get approval of this no later than by October 30. It is always best if you have data and examples to use for this report. You should also accompany the paper with a powerpoint presentation, not longer than 15 slides. The slides should be self-explanatory. These should be posted on the course's canvas page prior to the last class session along with the papers.

1. Brands on the balance sheet—Make a case for why brands should or should not appear on a firm's balance sheet. Then describe a process for making the changes in the accounting practice to help make this into a reality
2. Should marketing be capitalized? Make the case for why or why not marketing should be capitalized versus its current status of being expensed. Then describe a process for making the changes in the accounting practice to help make this into a reality.
3. How to measure the financial return of social media? Provide a roadmap of how to assess the financial returns of social media efforts. Use a specific example.
4. When does it make sense to use an umbrella brand vs. a portfolio of brands—house of brands vs. branded house? State the arguments and create a blueprint that could be used by companies to make this decision.
5. How should a firm decide between how much to spend on traditional advertising versus on line advertising? Create a process for making this evaluation.
6. Why is it critical for investment bankers to fully understand marketing?
7. Many firms have failed or have been slow to abandon their existing products for new replacement technologies. A recent example of this would be Eastman Kodak or Blockbuster. Why is this and how to make transition in order to survive?
8. Suppose you were going to launch the American Marketing Association in China or India. What would be your process for deciding to enter and how would you recommend entering?
9. Wharton is considering entering into China or India. How should they position themselves and develop a marketing plan that could be given to Dean Robertson.
10. Can a firm be valued based on its Customer Equity? If so, how could that be done? An unacceptable paper would be a one word paper that says, "NO."

This report should not exceed **twenty** double-spaced typewritten pages (not including tables and appendices).

Week	Monday	Tuesday	Wednesday	Thursday	Friday
October 21 - 27	22	23 FALL BREAK	24	25 1. Overview of Strategic Marketing Issues Case: <i>Kindle Fire</i>	26
October 28 – Nov 3	29	30 2. Putting Together the entire Marketing Mix Case: <i>Aqualisa Quartz</i>	31	1 3. General Strategies for Market Entry - Pioneering vs. Follower (lecture)	2
Nov 4 - 10	5 <i>Medicines Company #s due by 9 AM</i>	6 4. Product Launch Decisions Case: <i>The Medicines Company (A)</i> FutureView input due by 7 p.m.	7	8 5. Forecasting Demand for New to the World Products Case: <i>FutureView</i>	9
Nov 11 - 17	12	13 6. The Branding Decision (lecture)	14	15 7. Global Brands - Where are the Chinese Brands and What Would It Take? (lecture)	16
Nov 18 - 24	19	20 8. Multi-Product Resource Allocation Case: <i>The Piel Company</i>	21	22 THANKSGIVING	23
Nov 25 – Dec 1	26	27 9. Dealing with Competition. <i>The Pricing Simulation (meet in the computer labs)</i>	28	29 10. Marketing in the Decline Stage (lecture)	30
Dec 2 - 8	3	4 11. Marketing and Social Media (lecture)	5	6 12. Marketing Metrics: The Financial Value of Marketing (lecture)	7