

MARKETING MANAGEMENT II: MARKETING STRATEGY

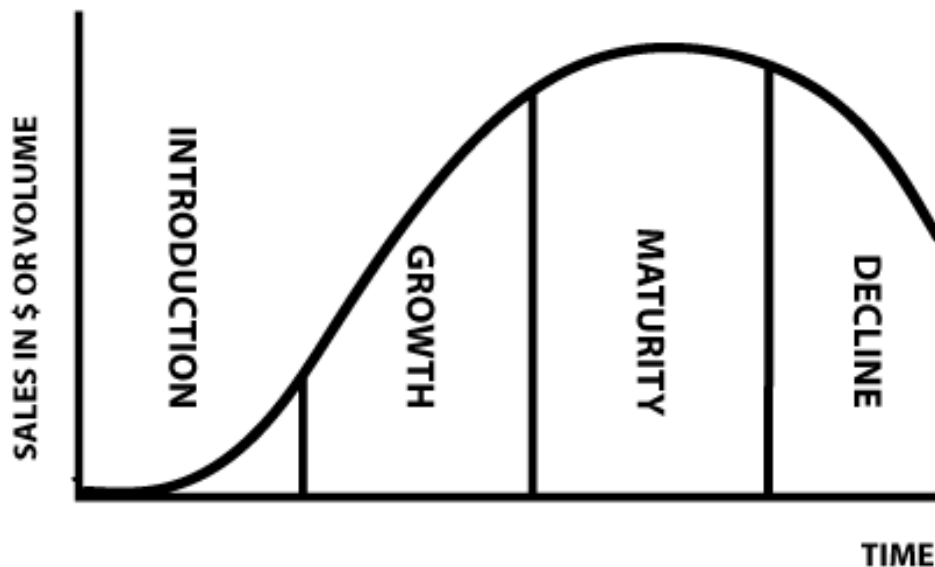
(MKTG 613)

Section 003

January 2014

COURSE DESCRIPTION, REQUIREMENTS AND ASSIGNMENTS

Professor David J. Reibstein



Objectives

Building upon Marketing 621, 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. The course 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. These concepts will be further concretized in the context of an in-depth marketing strategy simulation that will occur throughout the course.

This simulation, SABRE, will occupy a significant part of our time and activity in the course. You will be assigned to a SABRE team where each team will be charged with managing a firm in an unfamiliar new market where in each “SABRE period” you will make a wide range of decisions including what new products to bring out, when, and how to market them. The SABRE simulation thus provides an experiential context that serves to illustrate the PLC principles discussed in class, and gives you the opportunity to test alternative actions and analyses without the cost of implementing them in real settings.

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 four facets:

- 1) ***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.
- 2) ***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.
- 3) ***Linking class ideas to the SABRE simulation.*** A critical objective of each class will be to help make transparent the links between the real-world problems and tools discussed in class and the problems you face managing your SABRE firm. In some cases this will include demonstrations of how analytic tools introduced in class can be directly applied to aid decisions in SABRE.

Course Materials

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

Course Website

Many of the course’s activities (SABRE-related and otherwise) 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 information about SABRE, copies of class handouts, and other general information about the course. If you have any problems accessing it, please send an email to courseware@wharton.upenn.edu.

Grading

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

Class Participation	20%
SABRE Performance	
Periods 1-3	30%
Periods 4-6	30%
Initial SABRE Strategy Statement	10%
Final SABRE Memo	<u>10%</u>
	100%

You must attend the first class! You cannot drop the course once we begin!

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 the instructor. Students who are seated in class at 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”. Because of the condensed nature of the course you are expected to be at every class and working with your team for every decision.

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

DETAILED COURSE EVALUATION CRITERIA

1. **Measuring SABRE Performance:** Your team's performance in the SABRE simulation will constitute a major part of your grade. The primary measure we will use is the net cash flow generated by your business ("Cumulative Net Contribution"), which you will be striving to maximize within your virtual industry. Each cohort will have two independent industries consisting of six teams each. While the starting positions for each of the six firms *within* an industry are different, the starting positions for each of the six firms *across* industries are the same. Therefore, for grading purposes, we will be comparing your Cumulative Net Contribution to the firms in other industries that are endowed with the same starting positions. In other words, if your team is "Firm A," we will compare your Cumulative Net Contribution to that of the other "Firm A's" in the entire Wharton MBA program (WEMBA + WOMBA) to judge your SABRE performance.

In order not to discourage any team prematurely, we will measure and grade your SABRE team based on Cumulative Net Contribution at two points in time, first for the early three decisions (periods 1-3) and then again for the later three decisions (periods 4-6). This will give us the possibility to reward turnarounds and penalize "fizzle-outs." Hence, you will receive two scores which will then be averaged for your grade in this component of the course.

2. **Initial SABRE Strategy Statement—TEAM ASSIGNMENT (DUE 1/9/14, 10 p.m.):** Assess your market position, including your products, competitors, and potential for growth. In doing so, consider questions such as: How do buyer-preferences vary throughout the market? What are the principal strengths and weaknesses of your firm and its starting position? What is the best possible competitive position for your firm? Then complete a similar analysis for the five competitors within your industry. This report should use the results through the first round of decisions made by each team.

Following your analyses, please provide a clear statement of your objectives, your strategy for achieving those objectives, and the tactics you have been employing to implement your strategy.

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

3. **Final SABRE Memo—TEAM ASSIGNMENT (DUE 1/12/14, 9 a.m.)** Assess your final market position, including your products, competitors, and discuss how your strategies have changed over time in response to competition, industry evolution, and other strategic dynamics. Write this memo as if the audience were the next marketing management team that will be taking over your firm in the next hypothetical period. Discuss strengths and

weaknesses, “blind spots” that you missed, and things that you would do differently. Describe briefly the strategy you foresee for your firm in the next hypothetical six periods. Please provide a clear statement of your firm’s future objectives, strategies and tactics looking forward, based on what you have learned throughout the 622 course. This report should use the results through the round five decision made by each team.

In addition, provide a forecast of what you predict will be your team’s period-six dollar market share will be within the Regalto and Innovo markets (actual performances will be revealed in the last class).

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

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Wednesday-1/8	Thursday-1/9	Friday-1/10	Saturday-1/11	Sunday-1/12
9-11 a.m. <i>Introduction to SABRE</i> <i>Reading: "SABRE Manual".</i>	9-12:15 SABRE Period 1 Results Returned Period 2 Decisions	9-12:30 SABRE Period 2 Results Returned Period 3 Decisions	9-noon SABRE Period 3 Results Returned Period 4 Decision	9-noon SABRE Period 5 Results Returned Period 6 Decisions
11-2 p.m. Receive team data Meet in teams to review inheritance and system interface	12:15-1:30 Lunch	12:30-2:00 Lunch	Noon-1:30 Lunch	Noon-1:30 Lunch
2-3:30 Questions regarding SABRE	1:30-3:00 Kindle Fire Case	2-4:00 Multiproduct Resource Allocation	1:30-2:30 What's different in the real world?	1:30-5:00 Final Class-Posters on learnings Summary Share results across all industries
3:30-3:45 Break	3-3:30 Break	4-4:15 Break	2:30-2:45 Break SABRE Period 4 Results Returned	
3:45-5:30 <i>Marketing Research for Strategic Decisions</i>	3:30-5:00 Segmentation and segment selection	4:15-5:30 To pioneer or not to pioneer, that is the question	2:45-6:00 Period 5 Decision	
5:30-7:00 Break	5:00-7:00 Break		7-11:00 Write Final Team Paper and prepare presentation	
7:00-11:00 Period 1 Decision	7-10:00 Write team paper			