

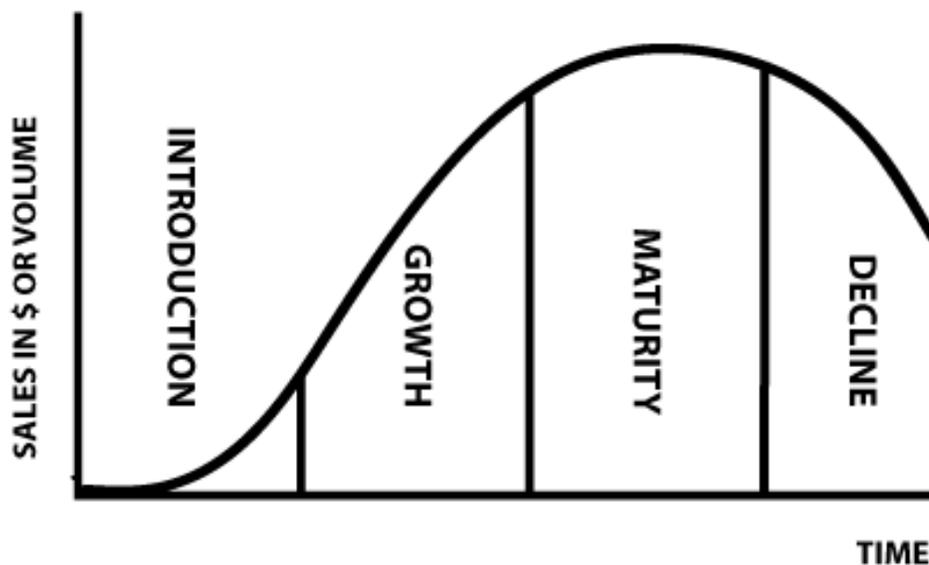
**MARKETING MANAGEMENT II:
MARKETING STRATEGY
via MARKETING RESEARCH and SIMULATION**

(MKTG 613)

February 2014

**COURSE DESCRIPTION,
REQUIREMENTS AND ASSIGNMENTS**

Professor Raghu Iyengar



Objectives

Building upon Marketing 611, this course focuses on helping you refine your skills in developing a marketing strategy and seeing how the marketing tactics (4Ps) 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, what products to launch, how to allocate resources across businesses, how to maximize customer lifetime value and its relation to customer churn, 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 concretized in the context of an in-depth marketing strategy simulation that will occur throughout the course. To aid in making good decisions in the simulation, there will be lectures throughout the course on quantitative marketing research methods that will help you translate marketing information into marketing strategy.

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 will vary depending on whether it is a lecture, or SABRE-oriented class, in general each session will have three 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 the decision at hand through the use of data and subsequent customer insights (marketing research).
- 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 Website

Many of the course’s activities (lecture slides, FAQs for SABRE) 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.

SABRE software

SABRE is a simulation program that is run centrally at Wharton Computing; however, for each team to download their information and make decisions in a given period, they need to have the SABRE software loaded locally on their machines (Windows machines only, no Macs unless running a PC emulation tool). To download SABRE, please see the .exe (executable file) and instructions that are loaded on the Canvas site.

Grading

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

| | |
|--------------------------|-------------------|
| SABRE Performance | |
| Periods 1-3 | 40% |
| Periods 4-6 | 40% |
| Final SABRE Memo | <u>20%</u> |
| | 100% |

Attendance

While participation is not an explicit part of the grade, no absence is allowed given the 2-weekend way in which is course is being delivered, and the fact that your team “needs” you for SABRE. Attendance will be taken by a TA.

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 industry will have six independent teams with different starting positions.

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.

When your SABRE decisions have been run, you will receive an email. Then, you may download your results and data for the next round of decisions. See the course outline at the end of the syllabus for specific dates and times.

2. **Final SABRE Memo—TEAM ASSIGNMENT (DUE 2/22/14, in class)** 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 613 course. This report should use the results through round five decisions 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) and 8 pages in total.

Course Schedule and Timeline

Here is the schedule for the class.

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| February 14th 9:00am-10:30am | Intro to PLC and SABRE |
| February 14th 10:30am-12:00pm | Intro to PLC and SABRE |
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| February 14th 1:30pm-3:30pm | Work in SABRE Teams (Prof and TA moderated) |
| February 14th 3:30pm-4:30pm | In-Class SABRE Q & A with Professor |
| February 14th 4:30pm-6:00pm | Work in SABRE Teams (Prof and TA moderated) |
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| February 14th 10:00pm | Round # 1 SABRE decisions due 10pm |
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| February 15th 9:00am-10:30am | SABRE and Marketing Research |
| February 15th 10:30am-12:00pm | SABRE and Marketing Research |
| | |
| February 15th 1:30pm-3:00pm | Work in SABRE Teams (Prof and TA moderated) |
| February 15th 3:00pm-4:30pm | Work in SABRE Teams (Prof and TA moderated) |
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| February 15th 10:00pm | Round # 2 SABRE decisions due 10pm |
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| February 17th 10:00pm | Round # 3 SABRE decisions due 10pm |
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| February 19th 10:00pm | Round # 4 SABRE decisions due 10pm |
| | |
| February 21st 9:00am-10:30am | Optimal Resource Allocation |
| February 21st 10:30am-12:00pm | Product Pioneering |
| February 21st 1:30pm | Round # 5 SABRE decisions due 1:30pm |
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| February 21st 1:30pm-3:00pm | Work in SABRE Teams (Prof and TA moderated) |
| February 21st 3:00pm-4:30pm | Work in SABRE Teams (Prof and TA moderated) |
| February 21st 10:00pm | Round # 6 SABRE decisions due 10pm |
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| February 22nd 9:00am-10:30am | Mature Markets |
| February 22nd 10:30am-12:00pm | Marketing in the Decline Phase |
| February 22nd 12:00pm | FINAL SABRE STRATEGY PAPER due 12:00pm |
| February 22nd 1:00pm-2:30pm | Course Conclusion and SABRE Wrap-Up (SABRE Poster Due) |