

# MKTG 611- Marketing Management

The Wharton School, University of Pennsylvania

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## INTRODUCTION

The first-quarter marketing core course (MKTG 611) has two main objectives:

1. To help you understand how organizations benefit by creating and delivering superior value to their customers and other stakeholders.
2. To help you develop analytical skills, apply decision tools, and learn frameworks that will discipline your approach to market analysis.

We shall achieve this by learning how to make sound decisions pertaining to:

1. **Segmentation, targeting, and positioning.** How to assess market potential, understand and analyze customer behavior, and focus resources on specific customer segments and against specific competitors.
2. **Branding.** How to develop, measure, and capitalize on brand equity.
3. **Marketing communications.** How to develop an effective mix of marketing communication efforts.
4. **Distribution channels.** How to understand the role of distributors, retailers, and other intermediaries in delivering products, services and information to customers.
5. **Pricing.** How to set prices that capitalize on value to the customer and capture value for the firm.

In addition, the course also helps you develop the following important skills:

- Make and defend marketing decisions in the context of stylized real-world problem situations with incomplete information (case studies).
- Improve your skills in *group problem-solving* and in written *communication* (case write-ups).
- Make *cross-functional connections* between marketing and other business areas.

The skills you acquire in MKTG 611 will be useful regardless of the industry or geography in which you decide to pursue your career.

# COURSE MATERIALS

Cases and copyrighted reading materials are available through Study.Net.

Canvas will be used as the source for additional readings, class handouts and other materials including Marketing Math Essentials. Reading assignments for different days of class are highlighted.

There is no required text. The following are general recommended marketing textbooks.

- *Strategic Marketing Management*, Alexander Chernev, 8<sup>th</sup> Edition (<http://www.amazon.com/exec/obidos/ASIN/1936572192/marketingbooksto>)
- *Marketing Management*, Philip Kotler and Kevin Lane Keller (15<sup>th</sup> edition), (<https://www.amazon.com/Marketing-Management-15th-Philip-Kotler/dp/0133856461>)

The following optional book was written by your instructor and is available in hard copy and electronic form. It touches on many aspects of new marketing tools.

- *Contagious: Why Things Catch On* (<http://amzn.to/1HOgxfX>)

# LEARNING SUPPORT

Teaching Assistants (TAs) are second-year MBA students who performed exceptionally well in MKTG 611. You will be introduced to your TAs on the first day of class. Their contact information will be provided in class and included in a document on Canvas.

Canvas will be used extensively as a forum for communication, including:

- Distributing case discussion questions.
- Sharing additional materials related to lectures and case discussions.

Feel free to post articles in the Canvas Discussion section that apply what we've covered in class or provide updates on examples discussed. As with in-class comments, strong course-relevant materials and offering thoughtful comments will count toward the class participation grade.

# GRADING

The components for the final course grade and their relative weightings are:

Class participation and attendance	15%
Case write-up (lower score)	15%
Case write-up (higher score)	25%
Final examination	45%
<hr/> Total	<hr/> 100%

## **Class Participation & Attendance (5% attendance, 10% participation)**

Constructive participation in lectures and case discussions is based on analysis rather than mere opinion, and builds on the discussion flow at the time (a good participant is also a good listener). Class participation will account for 10% of the final grade.

Students can be awarded a maximum of 3 points for participation each session that class meets, based on the overall quality (not quantity) of their contributions to the class discussion. The TA will make recommendations to the Professor regarding class participation grades, however, the Professor will make the final decision each day. Participation in discussion on Canvas will count for a maximum of 5 class participation points in total.

Attendance is required for every class session. Students who come more than 3 minutes late will not receive credit for that session. Class attendance accounts for 5% of the final grade. Contact the WEMBA office, not the professor, regarding missing class. Absences must be excused by the Office. Two or more unexcused absences will lead to zero for participation and attendance.

## **Case Write-Ups (40%)**

See the instructions and due date information on page 8-9 of this document.

## **Final Examination (45%)**

The exam is scheduled for Saturday, October 28, 2017 and will be a timed 4-hour open-note take-home case. The exam will be available via Canvas and you will have 4 hours to complete and upload the exam, in Microsoft Word or PDF Format, to Canvas.

Students may choose their own start time for the final exam, between 10am ET and 6pm ET, however students must upload their completed exam answer file within 4 hours of downloading the final exam file, and no later than 10pm ET. Excel spreadsheets may be used for calculation purposes but cannot be submitted. Any tables must be presented in Word or PDF and included as exhibits in the completed exam document. There is no word or length limit for the final exam, however, the 4-hour time limit will be strictly enforced. Students must work individually and may refer to course materials when completing the exam but should not use or access any outside materials during the exam period. Additional details regarding downloading the exam and uploading answers will be provided.

All submitted exams will be processed via Turnitin originality reporting services to compare against other papers submitted for this assignment, along with Turnitin's database and other Internet sources. The Turnitin service does not assess whether a paper has been plagiarized, but instead provides instructors with a report regarding how similar your text is to other sources.

If you would like us to re-evaluate the score on your final due to an error in calculating your score or if you believe there is a significant mistake in grading, please contact your professor by email within 1 week after the exam scores are posted. Requests after that point will not be considered. In your request, please explain your reasons in detail.

Please do not forget to include your section number and Penn ID number with your request.

1. Calculation errors will be corrected immediately.
2. If you are challenging the points you receive for a given answer, we shall examine your explanation for why you believe you deserve a higher score, and if it is reasonable, we shall re-grade the entire exam, not just the part you identified; therefore, your final score might go up or down, or remain the same.

### **POLICY ON USING OUTSIDE SOURCES OF INFORMATION for Course-Work**

Do not use any outside information when preparing for case discussions, producing written case analyses or completing the final exam. Outside sources of information include the library, the mass media, the Internet, and, on group-based assignments, any people outside of your learning team.

For course topics in general, in contrast, you are obviously welcome to use outside sources to expand your knowledge.

## **ELECTRONICS IN THE CLASSROOM**

The WEMBA program disapproves the use of electronic devices during any class for non-educational purposes. Experience has shown that such use significantly disrupts learning, both for the students using the device and for other in the class.

- Phones must be turned off and put away. If a student must keep a phone on for a personal emergency, the student must inform the instructor before class begins.
- The use of laptops and tablets are not allowed unless for educational purposes as permitted by the instructor (e.g., notetaking, reading, or data analysis).

## COURSE SCHEDULE

Session & Date	Topic & Preparation Questions	Pre-Class Exercise
<b>Session 1:</b> <b>9/8/2017</b> <b>(Friday)</b>	<p style="text-align: center;"><b>Introduction, Analyzing Markets &amp; Customers (I)</b></p> <p>This class discusses the role of marketing in the firm. It focuses on the importance of segmenting the market and creating a clear positioning statement.</p>	
<b>Session 2:</b> <b>9/8/2017</b> <b>(Friday)</b>	<p style="text-align: center;"><b>Analyzing Markets &amp; Customers (II)</b></p> <p>This class explores market analysis, including models of customer decision making and customer lifetime value (CLV).</p> <p><b>Reading: Marketing Math Essentials</b></p>	Reverse engineer a few purchase decisions made recently. What were the stages you went through? How might those stages vary by type of decision?
<b>Session 3:</b> <b>9/22/2017</b> <b>(Friday)</b>	<p style="text-align: center;"><b>Analytic Foundations for Marketing Decisions</b></p> <p style="text-align: center;"><b>&amp;</b></p> <p style="text-align: center;"><b>Live Case Discussion: Deepak Advani</b>  <b>Managing Director at Hellman &amp; Friedman</b></p> <p><b>Optional Exercises:</b> <a href="http://play.wharton.upenn.edu/mme">http://play.wharton.upenn.edu/mme</a></p>	
<b>Session 4:</b> <b>10/5/2017</b> <b>(Thursday)</b>	<p style="text-align: center;"><b>Case: Unilever Brazil</b></p> <p style="text-align: center;"><b>Preparation Questions:</b></p> <ol style="list-style-type: none"> <li>1) Should Unilever invest in a lower-margin segment? That is, is the segment attractive and can Unilever make money?</li> <li>2) Now, assume Unilever enters:             <ol style="list-style-type: none"> <li>a. Explain whether they should: (1) develop a new brand, or (2) reposition one of their existing brands.</li> <li>b. Write a positioning statement for your brand in a. above.</li> <li>c. Explain how you would implement the 4Ps for your brand in a. above.</li> </ol> </li> <li>3) Compute the break-even cannibalization rate for the new brand.</li> </ol>	

<p><b>Session 5: 10/5/2017 (Thursday)</b></p>	<p style="text-align: center;"><b>Branding</b></p> <p>This class examines how brands can affect consumer behavior, which in turn provides insights into the importance of building brand equity and the risks and benefits of some branding practices, such as brand extensions.</p>	<p>Pick 2-3 products or services and think about what it is that they are actually selling. For example, is McDonald's selling food or convenience? Is Nike selling sneakers or something else?</p>
<p><b>Session 6: 10/7/2017 (Saturday)</b></p>	<p style="text-align: center;"><b>Case Write-Up and Discussion Mountain Man Brewing</b></p> <p>Chris Prangel must decide whether or not to launch a light version of <i>Mountain Man Lager</i>. In your write-up, you should explore whether the introduction of a new brand will endanger <i>Mountain Man Lager</i> by cannibalizing sales or alienating customers or alternatively whether the launch of a light beer would represent a critical growth strategy for the firm. In your write up you should provide specific recommendations as to what Chris should do to ensure the success of his company for the future. You should defend your recommendations using appropriate qualitative and quantitative analyses. You may have to make some assumptions and estimates in developing your plan. Those assumptions and estimates should be clearly articulated and defended. If you conclude Chris should introduce a new product clearly articulate an effective communication/distribution strategy. If no, be prepared to discuss why not (in detail) and prepared to discuss other strategic options to counter the predicted loss in sales with the do-nothing option.</p> <p>Each team should upload a docx or PDF copy of its case write up by 8:00am to Canvas. More details are available on pages 8-9 of this syllabus.</p>	
<p><b>Session 7: 10/6/2017 (Saturday)</b></p>	<p style="text-align: center;"><b>Distribution</b></p> <p>This session examines how to design and coordinate distribution channels.</p>	<p>Apple owns stores, Sony sells in BestBuy, and Dollar Shave club skips stores altogether. Identify 3 distribution models and why different companies might want to do one vs. another.</p>

<p><b>Session 8: 10/20/2017 (Friday)</b></p>	<p style="text-align: center;"><b>Pricing</b></p> <p>This session examines assessing customers' willingness to pay (economic value to the customer), measuring price sensitivity, and psychological aspects of pricing.</p>	<p>Phone companies give phones away but require a 2- year contract. Razors are cheap but blades are expensive. Find 3 pricing approaches and think about why each particular approach is useful for that situation</p>
<p><b>Session 9: 10/20/2017 (Friday)</b></p>	<p style="text-align: center;"><b>Case Write-Up and Discussion: Cree, Inc.</b></p> <p>Cree, Inc. has created an innovative LED light bulb for the consumer market, but now must develop a marketing plan to realize the bulbs' potential.</p> <ol style="list-style-type: none"> <li>1) How does a consumer come to buy a LED light bulb? A Cree bulb?</li> <li>2) Calculate a break-even cannibalization rate for Home Depot</li> <li>3) What will Cree's bulb sales be in its first full year? What about LED light bulbs in general? Using these sales forecasts what are the margin and profit implications for Cree and Home Depot?</li> <li>4) Calculate the EVC (economic value to the customer) for various lighting alternatives to defend the appropriate pricing strategy.</li> </ol> <p>Each team should upload a docx or PDF copy of its case write up by 8:00am to Canvas. More details are available on pages 8-9 of this syllabus.</p>	
<p><b>Session 10: 10/21/2017 (Saturday)</b></p>	<p style="text-align: center;"><b>Marketing Communications</b></p> <p>This session provides an overview for the role of advertising as a key element of the communication mix and provides a step-by-step framework for making advertising decisions.</p>	<p>Compare an advertisement made by a company with their social media feed. How do they use the channels differently? Similarly?</p>
<p><b>Session 11: 10/21/2017 (Saturday)</b></p>	<p style="text-align: center;"><b>New Directions</b></p>	

<b>TAKE HOME FINAL EXAMINATION 10/28/2017</b>		
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## **LEARNING TEAM CASE WRITE UPS**

- 1. Case: (Saturday 10/7/2017) *Mountain Man Brewing***
- 2. Case: (Friday 10/20/2017) *Cree Inc.***

### **Objective**

Case write-ups develop expertise in: (1) defining marketing problems, performing appropriate analyses and crafting marketing plans, (2) developing written communication skills, and (3) working effectively and efficiently in teams.

### **Case Assignment**

Recommend a **specific** plan of action for these firms. Each firm is facing different questions and issues, but the solutions are derived from the same underlying frameworks (i.e., 5Cs, STP, and 4Ps). Be sure your analyses and recommendations address the problems explicitly mentioned in the case, but be sure to follow these frameworks when writing your papers and explaining how you reached your conclusions. In addition, your definition of the problem and your analyses may reveal other important issues you believe must be addressed. Your recommended marketing plan should be based on appropriate and defensible analyses.

### **Paper Format**

Each write-up should be **no longer** than 2,000 words (regardless of type font, spacing, etc.). **Be sure to include your section and team number, and names of all team members on a separate cover page.** Use your word processor to count the words and report the final count on the cover page. Leave the rest of the cover page blank, begin your write-up on the second page. Up to **four** additional pages of exhibits beyond the 2,000-word limit are permitted. Style and structure of the text and exhibits is up to you.

Exhibits should be clearly titled, and included only if they provide supporting details for your analyses and recommendations. They should not introduce new ideas that are not explicitly presented in the text. Quantitative analyses must be clear and show the calculation in full with precise explanations (e.g., footnotes that describe the methods and assumptions used). Key conclusions from the exhibits should be discussed in the text, and references to your exhibits should be made as appropriate places in the text (“see Exhibit A”). Write-ups where some team members prepare the exhibits while others do the writing without coordinating the two typically lead to a disjointed analysis. You should not reproduce any exhibits that are in the case study, although, of course, you may use information in case exhibits and you should reference them when you do (“from case Exhibit 3”).

Better papers will typically consider several strategic alternatives that emerge from their analyses, making a case for why their preferred course of action is the best, and then detail that course of action in their target market choice, positioning statement and 4Ps presentation. Quantitative and qualitative analyses should be used to analyze and support preferred course of action.

### Paper Submission Process

A single Word or PDF file containing all text and exhibits should be uploaded to the assignment page on Canvas by 8:00am on the day it is due. The files should be named **Mountain\_TeamXX.docx** and **Cree\_TeamXX.docx** with XX replaced by your team number (i.e., **Mountain\_1.docx**, **Cree\_1.docx**). One member of each Learning Team should submit the group’s work, both to the group case-write up assignment (for grading purposes) and to TurnItIn.

## MKTG 611 ETHICS MATRIX

Ethics Matrix	MKTG 611
<b>Homework &amp; Problem Sets</b>	<b>Fall 2017</b>
Working with Learning Team	Not Applicable (NA)
Working with Other Classmates	
Discussing with Other Classmates	
Consulting Material from Former Students (e.g., formula sheets, solutions, old exams, etc.)	
Using Material from External Sources* (e.g., reports, articles, books, online research, etc.)	
Other:	
<b>Individual Cases &amp; Projects</b>	
Working with Learning Team	Yes
Working with Other Classmates	Yes, but not encouraged
Discussing with Other Classmates	Yes, but not encouraged
Consulting Material from Former Students (e.g., formula sheets, solutions, old exams, etc.)	No
Using Material from External Sources* (e.g., reports, articles, books, online research, etc.)	No
Other:	
<b>Group Cases &amp; Projects</b>	
Working with Learning Team	Yes
Working with Other Classmates	No

<b>Ethics Matrix</b>	<b>MKTG 611</b>
Discussing with Other Classmates	No
Consulting Material from Former Students (e.g., formula sheets, solutions, old exams, etc.)	No
Using Material from External Sources* (e.g., reports, articles, books, online research, etc.)	No
<b>Proctored Tests &amp; Exams</b>	
Working with Learning Team	NA
Working with Other Classmates	
Discussing with Other Classmates	
Consulting Material from Former Students (e.g., formula sheets, solutions, old exams, etc.)	
Using Material from External Sources*(e.g., reports, articles, books, online research, etc.)	
Consulting Textbook / Class Notes	
Using a Formula Sheet / Note Sheet	NA
Using an Approved Calculator	NA
Other:	
<b>Take-Home Tests &amp; Exams</b>	
Working with Learning Team	No
Working with Other Classmates	No
Discussing with Other Classmates	No
Consulting Material from Former Students (e.g., formula sheets, solutions, old exams, etc.)	No
Using Material from External Sources* (e.g., reports, articles, books, online research, etc.)	No
Consulting Textbook / Class Notes	Yes
Using a Formula Sheet / Note Sheet (consult syllabus or professor for size/format/source req'ts)	Yes
Using an Approved Calculator	Yes
Using a Computer / Programmable Device	Yes
Saving a Copy	Yes
Other:	

\* Note that all borrowed content should be cited as appropriate.