

# MKTG 611- Marketing Management

The Wharton School, University of Pennsylvania

Fall 2018

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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

The MKTG 611 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 books 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 books were written by your instructors and are available in hard copy and electronic form. Each of them touches on various aspects of the course.

- *Contagious: Why Things Catch On* (<http://amzn.to/1HOgxfX>)
- *The Ostrich Paradox: Why we Underprepare for Disasters* (<https://www.amazon.com/Ostrich-Paradox-Why-Underprepare-Disasters/dp/1613630808>)
- *Global Brand Power: Leveraging Branding for Long-Term Growth* (<http://whr.tn/1CUN4IY>)

## LEARNING SUPPORT

Teaching Assistants (TAs) are second-year MBA students who performed exceptionally well in MKTG 611. They will be available to review course materials and concepts. You will be introduced to your cohort's TA on the first day of class. Their contact information will be provided in class and included in a document on Canvas. TAs will each hold two office hour sessions. Details (dates, times, location) regarding office hours for all of the TAs will be posted to 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, strongly 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 and Attendance (15%: 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 day 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 each day, 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 will use the class check-in feature in the Wharton Connect mobile app to indicate their attendance in class. Students who come more than 3 minutes late will not receive attendance credit for that class session. Class attendance will account for 5% of the final grade. Contact the MBA Program Office regarding missing class. Absences must be excused by the MBA Program Office. Two or more unexcused absences will result in a grade of zero for class 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 Friday, October 12, 2018 and will be a timed 4-hour open-note take-home case analysis. The exam will be made available to students via Canvas. Students will have 4 hours to complete the exam and will then upload their 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 on 10/12, 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. The University of Pennsylvania is using Turnitin originality reporting services designed by iParadigms, LLC. Your exam submission will be processed through Turnitin only to compare against other papers submitted for this assignment, along with Turnitin's database and other Internet sources. Your exams will not be retained by iParadigms. 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. Your privacy is protected under the agreement between the University and iParadigms.

The exams will be graded by the TAs with guidance from the professor and grades will be posted to Canvas. 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. If you use other sources, you are cheating yourself as well as other students.

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

## **ELECTRONICS IN THE CLASSROOM**

The MBA 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>8/29/2018</b> <b>(Wednesday)</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>	
<p>No Class 9/3;            Holiday</p> <p><b>Session 2:</b>  <b>9/5/2018</b>  <b>(Wednesday)</b></p>	<p style="text-align: center;"><b>Analyzing Markets &amp; Customers (II)</b></p> <p>This class explores more detailed approaches to market analysis, including models of customer decision making and customer lifetime value (CLV).</p> <p><b>Reading: Marketing Math Essentials</b></p>	<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?</p>
<p><b>Session 3:</b>  <b>9/10/2018</b>  <b>(Monday)</b></p>	<p style="text-align: center;"><b>Analytic Foundations for Marketing Decisions</b></p> <p style="text-align: center;">Location: 8<sup>th</sup> Floor JMHH</p> <p><b>Optional Exercises:</b> <a href="http://play.wharton.upenn.edu/mme">http://play.wharton.upenn.edu/mme</a></p>	
<p><b>Session 4:</b>  <b>9/12/2018</b>  <b>(Wednesday)</b></p>	<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:</b>  <b>9/17/2018</b>  <b>(Monday)</b></p>	<p style="text-align: center;"><b>Branding</b></p> <p>In this session, we examine 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 analyze what they are selling. For example, is McDonald's selling food or convenience? Is Nike selling sneakers or something else?</p>

Session & Date	Topic & Preparation Questions	Pre-Class Exercise
<p><b>Session 6:</b> 9/19/2018 (Wednesday)</p>	<p 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:</p> <ol style="list-style-type: none"> <li>1) 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.</li> <li>2) Provide specific recommendations as to what Chris should do to ensure the success of his company for the future and 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.</li> <li>3) 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 other strategic options to counter the predicted loss in sales with the do-nothing option.</li> </ol> <p>Each team should upload a docx or PDF copy of its case write up by <b>8:00am</b> to Canvas. More details are available on pages 8-9 of this syllabus.</p>	
<p><b>Session 7:</b> 9/24/2018 (Monday)</p>	<p align="center"><b>Go to Market Strategy</b></p> <p>This session examines how to design and coordinate distribution channels.</p>	<p>Apple has stores, Sony sells in others' stores (BestBuy), and Dollar Shave Club skips stores altogether. Identify three different distribution models and why different companies might want to do one vs. another.</p>
<p><b>Session 8:</b> 9/26/2018 (Wednesday)</p>	<p align="center"><b>Case: ACCOR</b></p> <p align="center"><b>Preparation Questions:</b></p> <ol style="list-style-type: none"> <li>1) Assess Accor's current distribution strategy. What is the value of the OTA relationship to the company and should it continue to work with this channel? How should Accor manage this channel relationship?</li> <li>2) What does Room Key add to the distribution strategy? Is it a good distribution partner for Accor? Why or why not?</li> <li>3) Should Accor become an equity partner in Room Key? Why or why not? Should Accor become a commercial partner of Room Key? Why or why not? What is the ROI of both of these strategies? (You</li> </ol>	

<b>Session &amp; Date</b>	<b>Topic &amp; Preparation Questions</b>	<b>Pre-Class Exercise</b>
	<p>may assume that Accor would pay a 10% commission to Room Key if they were an equity partner and a 15% commission if they were not an equity partner).</p> <p>4) What does Room Key need to do to be successful long term? What should Room Key's marketing strategy look like and where should the company invest its money? How might Accor help Room Key be successful?</p> <p>5) Where else along the customer purchase journey should Accor focus its digital efforts? Which parts of the value chain are ripe for intermediation or disintermediation? Who else is playing in that space and how well can Accor collaborate with and/or compete against them?</p> <p>6)</p>	
<p><b>Session 9: 10/1/2018 (Monday)</b></p>	<p style="text-align: center;"><b>Neil Blumenthal Co-Founder and Co-CEO, Warby Parker</b> Location: 8<sup>th</sup> Floor JMHH</p>	
<p><b>Session 10: 10/3/2018 (Wednesday)</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 <b>8:00am</b> to Canvas. More details are available on pages 8-9 of this syllabus.</p>	

<b>Session &amp; Date</b>	<b>Topic &amp; Preparation Questions</b>	<b>Pre-Class Exercise</b>
<b>Session 11:</b> <b>10/8/2018</b> <b>(Monday)</b>	<p style="text-align: center;"><b>Pricing</b></p> <p>In this session, we will discuss assessing customers' willingness to pay (economic value to the customer), measuring price sensitivity, and psychological aspects of pricing.</p>	<p>Different companies use different pricing models. Phone companies give phones away but require a 2-year contract. Razors are cheap but the blades are expensive. Find three pricing approaches and think about why each particular approach is useful for that situation</p>
<b>Session 12:</b> <b>10/10/2018</b> <b>(Wednesday)</b>	<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 similarly? Differently?</p>
<b>TAKE HOME</b> <b>FINAL</b> <b>EXAMINATION</b> <b>10/12/2018</b> <b>(Friday)</b>	<p style="text-align: center;"><b>Final Exam Review Sessions</b></p> <p>There will be final case exam review sessions. Details regarding locations of these review sessions are TBA and will be updated on Canvas, on the calendar at the end of this syllabus, and announced in class.</p>	

## LEARNING TEAM CASE WRITE UPS

1. Case: (Wednesday 9/19/2018) *Mountain Man Brewing*
3. Case: (Wednesday 10/3/2018) *Cree, Inc*

### Objective

Case write-ups provide students experience in: (1) defining marketing problems, performing appropriate analyses, and crafting marketing plans, (2) developing written communication skills, and (3) developing skills to work 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 course section number, learning 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, beginning your write-up on the second page. Up to **four** additional pages of exhibits beyond the 2,000-word limit are permitted. The 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 and 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”).

The best 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 one to pursue, 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 the preferred course of action. In addition, the teams with the best papers tend to review the paper for errors and inconsistencies (e.g., typos, grammatical errors, incorrect references) before submission.

## Paper Submission Process

A single Word (.docx) 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 cohort letter and team number (i.e., **Mountain\_A1.docx**, **Cree\_A1.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 the TurnItIn assignment (for originality checking).

## MKTG 611 ETHICS MATRIX

Ethics Matrix	MKTG 611
Homework & Problem Sets	<i>Fall 2018</i>
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.)	

Ethics Matrix	MKTG 611
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
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:	

## MKTG 611 Calendar - August/September 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<b>26 (Aug)</b>	<b>27 (Aug)</b>	<b>28 (Aug)</b>	<b>29 (Aug)</b>	<b>30 (Aug)</b>	<b>31</b>	<b>1</b>
		First Day of Classes	<b>Session 1</b> Introduction, Analyzing Markets & Customers (I)			
<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
	Labor Day - No classes		<b>Session 2</b> Introduction, Analyzing Markets & Customers (II)			
<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
	<b>Session 3</b> Analytic Foundations 8 <sup>th</sup> floor JMHH		<b>Session 4</b> Unilever Brazil case			
<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>
	<b>Session 5</b> Branding		<b>Session 6</b> Case Write-up and Discussion - Mountain Man Brewing Case (upload to Canvas by 8:00 am)			
<b>23</b>	<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>
	<b>Session 7</b> Go To Market Strategy		<b>Session 8</b> Accor Case			

### October 2018

<b>30</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
	<b>Session 9</b> Live Case Discussion Neil Blumenthal Co-Founder & Co-CEO, Warby Parker 8 <sup>th</sup> Floor JMHH		<b>Session 10</b> Case Write-up and Discussion - Cree (upload to Canvas by 8:00 am)	UPenn Fall Break	UPenn Fall Break	
<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>

	<b>Session 11</b> Pricing	<b>Final Exam Review Session</b> (optional) 4:30 - 550pm JMHH G06  6:00-730 JMHH G06	<b>Session 12</b> Marketing Communications  <b>Final Exam Review Session</b> (optional) 4:30 - 5:50pm JMHH G06	<b>Final Exam Review Session</b> (optional) 4:30 - 5:50pm SHDH 350	<b>Exam</b>	
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