

Marketing Management – MKT 6301.002 (Fall 2012)

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Class Time & Location:	F 4:00 – 6:45 p.m. JSOM 2.106
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COURSE DESCRIPTION: This is a core marketing course and provides a broad overview of contemporary marketing theory and practice. The objectives include learning how to analyze and understand the (potential) customers and competitors, and predict their responses; how to develop the marketing plan transforming the company's strengths into profitable strategy of satisfying customer needs; the segmentation, targeting and positioning framework; common and optimal design of product, pricing, promotion and distribution strategies. We use a mix of lectures and HBS case discussions and apply what we learn to develop a new product marketing plan. Teamwork is emphasized. Students form 3-5 person teams at the beginning of the semester to work on the case preparation and the project (marketing plan) development.

COURSE MATERIALS:

Textbook: “**Marketing Management**” by Kotler and Keller, 14th ed. (other editions ok), 2011.
ISBN: 0132102927 or 978-0132102926

Course Packet available at the bookstore contains 6 HBS cases:

- Biopure Corporation
- Optical Distortions, Inc. (A)
- Eastman Kodak: Funtime Film
- Dogfight over Europe: Ryanair (A)
- Culinarian Cookware: Pondering Price Promotions
- Tweeter, etc.

Lecture Notes & Assignments: Will be available online

Popular Press: Some relevant articles will be posted online or distributed in class

COURSE CONTENT:

The course starts with consideration of the marketing environment the firm operates in and how the marketing strategy should be adopted to fit and evolve with the marketing environment. These considerations are often referred to as the 3 Cs of marketing: the company, the competition, and the customer. Specific topics of interest discussed in this part of the semester include consumer behavior, market segmentation, targeting and positioning, environmental trends, strategic planning, and competitor analysis to name a few. In addition, we will examine the tools marketing researchers use to analyze these aspects of the marketing environment.

We then continue with a detailed analysis of how a firm can use the information about the marketing environment described above to develop its *marketing mix*, often referred to as the 4 P's of marketing: the product, price, promotion (communication) and place (distribution). Relevant issues addressed here include determining the product that will be most profitable given the consumer preferences and the competitive situation, setting an appropriate price to encourage purchase and to compete with competitors, constructing an attractive promotion campaign (e.g., advertising, personal selling, sales promotions), and determining how to use distribution channels so that the product is easily accessible by your target market and also as to establish a competitive advantage. The mix of these elements must yield an internally consistent strategy for reaching customers.

The “theoretical” discussion of the above topics will be supplemented by the examples and by the discussion of the case studies.

An additional learning tool is the project which gives you an opportunity to work on a business problem from conception to recommendation and will provide you hands-on experience in applying what you have learned in class to a real-life marketing problem. We then learn from each other through group presentations of the projects.

CLASS FORMAT:

Throughout the course of the semester, in addition to lectures, you will be exposed to a variety of informative marketing videos, articles, and business cases. Most class meetings will be comprised of instruction on the relevant material for the day and a class discussion of an HBS case, an in-class video, or a business problem posed in the class. The textbook provides rich materials that are supplementary to lecture notes. It is important to realize that lectures are NOT designed to cover a textbook and that the material in lectures is quite different from any textbook. You are responsible for carefully reading the textbook in addition to understanding the material presented in class.

EXAMS AND GRADING:

Grades will be based on a weighted average of your performance on the following. The grading weights are as follows:

Class Participation	15%
Case Write-ups	15%
3 write-ups x 5% each	
Exam I	20%
Group Project	20%
Including: Presentation	10%
Report	10%
Exam II	30%

Class participation:

At the end of the semester I will evaluate the overall quality and quantity of your participation in class discussion throughout the semester. I will note your participation, but also expect you to make me remember your name when you participate in discussions (name plates are very helpful in that). It is important to understand that just coming to the class does not imply class participation. Also, the frequency of participation is not as important as the quality of your input. That is, you should strive to

make effective use of class time through thoughtful, timely, and constructive participation. Note also that questions count and sometimes are a very valuable input. Please see also “case discussions” below.

Exams:

Both exams will consist of multiple choice and short answer questions and will be closed-book/closed-notes. You will be responsible for any class discussion pertaining to the in-class videos or the articles/cases read outside of class but discussed in class. Therefore, class attendance is very important for a good performance in this course (and certainly much more than the class participation grade percentage would suggest). Specifics of the exams will be discussed later in the semester in more detail.

Case discussions:

It is extremely important that you read and analyze each case *before* the in-class discussion *regardless* of whether you choose the case for a write-up or not. We cannot have a productive discussion if we need to read the case in class. Case discussions are the most important part of class participation. I may also cold-call on the facts of the case being discussed. Please note that the objective is to learn how to analyze the case and form decisions. Therefore, you should feel free to look at the case during class. I suggest you to annotate the case as you read it so that you find the relevant material quickly.

Case write-ups:

These are short notes (**up to 3 pages plus exhibits if needed, 1.5-spacing**) that address the questions raised about the case (see questions at the end of syllabus). Submit write-ups of three cases on the date of the **relevant case discussion**. If more than required is done, the highest grade counts. I encourage studying for a case discussion in small groups (2-4 members), which can also submit a joint case write-ups. I also would like to very much encourage forming different (independent) groups for each case study, but this is not required. As cases will be discussed in class at the due dates, you **must submit your write-ups prior to the beginning of the corresponding class**.

Group Project:

The group project has two objectives. First, it will help you to gain hands-on experience in applying what you learn in class to a realistic marketing situation. Second, it will give you experience working as part of a team. Briefly, the project will normally consist of identifying an unfulfilled market need and designing a new product and/or marketing campaign to address and fulfill that need. The project will initially involve a thorough analysis of 1) the marketing environment of the industry of interest, and 2) the current situation of your company to identify the problems and opportunities facing you in this endeavor. Your group will then be responsible for developing a tactical plan for the introduction of a new product or a new marketing campaign that will include a detailed explanation of the entire marketing mix and the overall marketing strategy behind your proposal (i.e., a business plan). Although you are responsible for all work, I will devote considerable time and attention to helping you with the project. Because many students decide to use such a project as a work sample for job interviews, it is to your advantage to do a quality job on these projects. Based on students' performance in prior years, my expectations for the end product are very high.

Final Reports and Presentations: Upon completion of this project your group will be required to submit a professionally written document summarizing the problem you have identified and the marketing plan your group has developed to address and solve this problem. Your paper should be about 15 to 20 double-spaced pages, including tables and figures. Each group will also be required to give a formal presentation (approx. 15 minutes) prior to turning in their final report. You should think of this presentation as an opportunity to sell your idea to upper management or a board of investors. After each presentation the class will have the opportunity to ask questions and make comments. Lastly, each group member will be required to hand in an evaluation of the participation of each group member. All members of the group typically receive the same project

grade. However, in the case of free-riding evidenced from these evaluations, this policy will be relaxed. Presentations will be peer-graded.

Participation in Discussion: To encourage students' participation in Presentations, your participation in class discussion after the presentation of each group will count as class participation. Moreover, I will consider a fair game to have questions related to the presentations on Exam II, and may consider attendance at these times for the class participation grade.

Letter grade guideline: Below are the cut offs for the final grade

A+	≥ 95%
A	≥ 92%
A-	≥ 90%
B+	≥ 87%
B	≥ 83%
B-	≥ 80%
C+	≥ 77%
C	≥ 73%
C-	≥ 70%
D	~ 60-70%
F	< 60%

Re-Grading Policy

In case you are not satisfied with your scores on a particular segment of the evaluation (an examination, an assignment or the group write-up), you will need to submit a request to be reevaluated **within one week** of receiving your scores. You will need to attach a sheet of paper to your assignment or exam with your name, student I.D. number and a short note explaining why you feel you deserve more points. Explanations should be precise and specific and should pertain to the content of the assignment or exam only. Thus explanations like "I worked really hard and deserve more points" or "My answer on this question is better than XYZ's" will **not** be acceptable.

Please note that a reevaluation request for a particular segment of the course will entail a complete reevaluation of the entire exam or assignment. Thus, your score on that segment may go up, stay the same or move down depending on the new evaluation. I will return your reevaluation requests with the necessary changes within two weeks of receiving your requests.

Academic Integrity

The faculty and administration of the School of Management expect from our students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work. We want to establish a reputation for the honorable behavior of our graduates, which extends throughout their careers. Both your individual reputation and the school's reputation matter to your success.

The Judicial Affairs website lists examples of academic dishonesty. Dishonesty includes, but is not limited to cheating, plagiarism, collusion, facilitating academic dishonesty, fabrication, failure to contribute to a collaborative project and sabotage. Some of the ways students may engage in academic dishonesty are listed on

<http://www.utdallas.edu/judicialaffairs/UTDJudicialAffairs-Basicexamples.html>.

Case Questions

Please prepare to discuss the following questions for each case, whether you choose the case for a write-up or not. The main text of the write up can use bullet points, but should not be too cryptic and should be easy to read, while complicated calculations or tables should be displayed as “exhibits.” You may use sub-headings in the main text, which do not need to correspond to the questions, and the questions do not need to be answered in the order. In other words, please view the write-up is an “executive summary” of the problem analysis and questions are “suggestions” of how to approach the analysis.

Biopure:

1. *Hemopure*:
 - a. Identify relevant market segments and speculate whether the product is valuable to each segment (and how much) at the suggested price (\$600-\$800).
 - b. Given the above, what is a reasonable estimate of the market potential (in \$) for Hemopure and similar products sold in the \$600-\$800 range?
 - c. Analyze the consumer behavior and competitor analysis: How price sensitive is the target market? What are the competitors and their cost structure? What competitive advantages (current and future) does Biopure have?
 - d. Summarize the risks and the profit potential of Hemopure.
2. *Oxyglobin*:
 - a. What is (roughly speaking) the market potential in product units and the dollar terms?
 - b. Describe the consumer behavior and assess the price sensitivity of the market.
 - c. How do you think the value of Oxyglobin to Biopure relates to that of Hemopure?
3. How would the inter-relation between Oxyglobin and Hemopure affect your introduction strategy for Oxyglobin?

Optical Distortions, Inc.:

1. What is the (expected) value of the lenses to farmers?
2. How sensitive is this value to assumptions made? What may “go wrong” with assumptions?
3. What considerations would make it easy/difficult for this product to penetrate the farmers market? How price sensitive is the market?
4. What introduction and value assurance strategy would you suggest? What should be the target segment, mode of distribution, promotion and price in the beginning? Take into account the time horizon for potential profits (“lifecycle”) and the financial situation of the firm.

Eastman Kodak Company (Funtime Film):

1. Summarize the market characteristics and trends
2. What drives the market share trend? Can Kodak stop the decline?
3. What should Kodak do? You may consider the following:
 - a. What increase in market share necessary to justify a 15% price reduction to bring the price of Gold Plus below the “psychologically important” \$3.00 level. Is such market response realistic?
 - b. What would be the likely competitive response from Fujifilm? Who has the cost advantage and how important is it?
 - c. Alternatively, considering introduction of Funtime and ignoring Royal Gold (since it has small market share), calculate the market shares of Funtime and Gold Plus that would make Kodak indifferent to introduce Funtime or take no action. Evaluate how realistic is it to improve profits with introduction of Funtime taking into account the existing market segments.
 - d. Discuss alternative (to either price reduction or introduction of Funtime) strategies to maintain market share and margins.

Ryanair:

1. What is the intended positioning of Ryanair?
2. What is Ryanair's cost structure likely to be? Differentiate between fixed and variable costs and project the total per-ticket cost assuming full capacity utilization.
3. Evaluate the viability of the proposed Ryanair's launch strategy:
 - a. How close is the launch price of \$98/ticket to the cost?
 - b. How does the price compare to BA per passenger costs?
 - c. Would it be profitable for BA to match/undercut this price?
 - d. How will BA/Aer Lingus actually respond? Take into account the potential costs and benefits of the response and the airlines' objectives.
4. What other industries/companies does this case remind you of?
5. How could Ryanair modify its overall strategy to reduce chances of retaliation (price undercutting by competitors)?

Culinarian Cookware:

1. Describe the consumer segments and a typical consumer buying decision-making process.
2. Summarize Culinarian's strengths and weaknesses. Do you think it makes sense for Culinarian to emphasize push or pull promotions?
3. Was the 2004 promotion profitable? Calculate the profitability using Brown's and the consultant's logic. How would you calculate it?
4. What are some other possible promotion strategies for Culinarian? Recommend whether Culinarian should run a 2007 price promotion. Which promotion/terms (which products to promote, how, how much, when, how frequently, and for how long) would you suggest?

Tweeter, etc.:

1. Current situation analysis:
 - a. How price competitive is Tweeter etc, objectively?
 - b. Do consumers perceive Tweeter to be price-competitive? How did this perception change over time?
 - c. Relating to the consumer segments described in the case, who are the current customers of Tweeter? How many of each segment is it getting?
 - d. Was APP a success?
2. STP (segmentation, targeting, and positioning) analysis:
 - a. Who should be the target customer segments?
 - b. How should Tweeter position itself for the target customers?
 - c. Is APP sustainable given the industry dynamics?
 - i. Will the competitors adopt APP?
 - ii. If they do, how will this affect Tweeter?
 - d. Should Tweeter keep APP?
 - e. Make suggestions about the pricing and product line.

Tentative Course Schedule (Fall 2012) – subject to change

Date	Topics	Readings / Assignments
Aug. 31	<ul style="list-style-type: none"> • Role of Marketing & Marketing Process • Ethical Issues in Marketing • Syllabus/Introductions 	<ul style="list-style-type: none"> • Ch. 1, 5 • Form teams
Sept 7	<ul style="list-style-type: none"> • Marketing Environment • Marketing Strategy and Planning 	<ul style="list-style-type: none"> • Ch. 2, 3
Sept 14	<ul style="list-style-type: none"> • Consumer Buying Behavior • Business Buying Behavior 	<ul style="list-style-type: none"> • Ch. 5, 6, 7
Sept 21	<ul style="list-style-type: none"> • Biopure Corporation case study • Segmentation, Targeting and Positioning 	<ul style="list-style-type: none"> • Read case, Write-up this or ODI • Ch. 8, 10
Sept 28	<ul style="list-style-type: none"> • Optical Distortions, Inc. case study • New Products and PLC 	<ul style="list-style-type: none"> • Read case, Write-up if Biopure not done • Ch. 11, 12
Oct 5	<ul style="list-style-type: none"> • Pricing Strategy • Price Structure and Segmented Pricing • CLV and pricing 	<ul style="list-style-type: none"> • Ch. 14
Oct 12	Midterm Exam	Material: Lectures, Ch. 1-8, 10-12, 14
Oct 19	<ul style="list-style-type: none"> • EK: Funtime Film case study • Product line and branding strategy • Marketing of Services 	<ul style="list-style-type: none"> • Read case, Write-up this or Ryanair • Ch. 9, 13
Oct 26	<ul style="list-style-type: none"> • Ryanair case study • Competitive strategy 	<ul style="list-style-type: none"> • Read case, Write-up if EK not done • Ch. 11
Nov 2	<ul style="list-style-type: none"> • <i>Guest speaker</i> • Marketing research 	<ul style="list-style-type: none"> • Ch. 4
Nov 9	<ul style="list-style-type: none"> • Culinarian Cookware case study • Promotions, IMC • Advertising 	<ul style="list-style-type: none"> • Read case, Write-up this or Tweeter • Ch. 17, 18, 19
Nov 16	<ul style="list-style-type: none"> • Distribution strategy • Tweeter, etc. case study • Retailing and wholesaling 	<ul style="list-style-type: none"> • Read case, Write-up if CC not done • Ch. 15, 16
Nov 23	Happy Thanksgiving! – NO CLASS	
Nov 30	Project presentations	
Dec 7	Project presentations	Project reports (All)
Dec 14	Final Exam	

*: Most relevant chapters and suggested readings for the class. Lectures do not follow the textbook. Please read it at your own pace. However, case readings a **MUST before** the corresponding class.