Objectives

The course is designed to provide students with an understanding of the strategic principles of marketing and the role of marketing in the modern corporation. The focus will be on analyzing and integrating elements of the marketing program and developing decision making skills. A major objective of the course is to develop an operational approach to marketing decision making. Specifically, the objectives are:

1. To introduce the student to the role of marketing within the firm.

2. To introduce the basic concepts and tools used in marketing. To provide an analytical framework for developing, pricing, distributing and promoting products and services.

3. To expose the student to examples of how marketing has been applied successfully and unsuccessfully.

4. To provide a forum for students to practice their reasoning, judgments and evaluations of marketing problems.

Instructional Plan

The course consists primarily of case discussions with some classes following a lecture/discussion format. The cases and lectures will complement the text and will not attempt to cover all points raised in the reading.
The Case Method

Case discussions are a critical component of the learning process for this course. Students should be prepared for case discussions whether or not it is a written assignment. You will be evaluated on both the quantity and quality of your participation. In addition, students can be expected to be “cold called” during a discussion.

The case method is one of the most effective means of sharpening your decisionmaking abilities, requiring you to be an active participant in a marketing strategy decision. The assigned cases are intended to give you practice in assembling data to support a decision. Further, the case method provides a vehicle by which you can apply the theories, concepts, and analytical devices discussed in class or in the book. Finally, the discussion forum provides an opportunity to argue your position and to learn from others by listening to their comments and criticisms.

Some of the cases may appear to be far-removed from problems pertinent to your work experience, but in general, the lessons to be learned from the cases are universally relevant and transcend particular situations.

During case discussions each person should be prepared to share his or her individual views with the class. In these sessions, the instructor will act to facilitate discussion. The direction and quality of the discussion is the collective responsibility of the group, not the sole responsibility of the instructor.

It should be emphasized that the case method of learning does not provide an answer to the problem being addressed. In most case discussions, several viable “answers” will be developed and supported by various participants within the total group. It is usually the case that a single “best” course of action is not obvious at the time the decision has to be made; if that situation was common, business decision-making would be easier than it is! At the same time, some courses of action are better supported by the case facts than others. In addition, while what actually happened is sometimes known, in no way should this be interpreted as the correct or incorrect solution. What is important is to develop a framework that will lead you to recognize the best options available.

In preparing for class, I recommend that you read the case at least 3 times. The first reading should be a quick run-through of the text in the case. It should give you a feeling for what the case is about and the types of data contained in the case. Your second reading should be in more depth. Many people like to underline or otherwise mark up their cases to pick out important points that they know will be needed later. Your major effort on a second reading should be to understand the business and the situation. For example, analyze the case with respect to customer behavior and trends, competitors’ behavior and trends, and the firm’s strengths and weaknesses.

On your second reading, carefully examine the exhibits in the case. Like the real world, the data will vary in value. Some exhibits will be critical to analyzing the case, some will be worthless. In most cases, some kind of analysis like break-even calculations is useful.
On your third reading, you should have a good idea of the fundamentals of the case. Now you will be searching to understand the specific situation. You will want to get at the root causes of problems and gather data from the case that will allow you to make specific action recommendations. Before the third reading (even earlier), you may want to review the assignment questions, if given. I will tend to be more directive early in the semester and less so as we move through the course. At this point, you should prepare some notes that will help you address the key issues.

The Written Assignments

The written assignments can be done individually or in teams of 2 and should be <=3 pages in length excluding appendices. They are due in class on the date the assignment is discussed. Students are permitted to discuss the assignments with other members of the class.

Course Grading

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Three written assignments</td>
<td>48% (16% each)</td>
</tr>
<tr>
<td>Final assignment</td>
<td>27%</td>
</tr>
<tr>
<td>Class participation</td>
<td>25%</td>
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</tbody>
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Other Administrative Details

1. You should attend all class sessions and complete all assigned readings before each class. You should minimize disturbances during class, i.e., talking, arriving late, leaving early, etc.
2. Students are expected to adhere to the Stern School’s Honor Code, “I will not lie, cheat or steal to gain an academic advantage, or tolerate those who do.”
3. No extra credit will be given in this course. Please see me right away if you are concerned about your performance in the class.
4. Deviations from the syllabus may be necessary.
5. Out of respect for the other students in your class, it is important for you to focus your full attention on the class, for the entire class period. Most students observe proper decorum, but it takes only one person’s behavior to distract the entire class. Students have complained to the school about others who act in a distracting manner. Please adhere to the following rules:
   • Arrive to class on time.
   • Once you have arrived, you should leave the classroom only if absolutely necessary. Leaving to make or take phone calls, to meet with classmates, or to go to an interview, is not considered appropriate behavior.
   • If you know in advance that you will miss a class, please let the teaching fellow know in advance.
   • Turn off your cell phone and any other communications device.
   • Laptops act as a powerful distraction. Use of laptops for non-class purposes during class time has been a particular source of student complaints at Stern. Therefore the Stern School administration has established the default policy of not allowing laptops in class.
Course Materials


There is also a coursepack containing the cases for the course.

Detailed Course Outline

June 29  Marketing as a business philosophy; course overview.
    Read: Ch. 1.
    Case: The Complaining Customer
    Case: Gillette Safety Razor Division (an exercise in economic analysis for marketing decisions).

July 1    Developing marketing programs.
    Case: Gillette Safety Razor Division
    Read: Chs. 2.

July 6    Marketing strategy and the product life cycle.
    Snapple (Assignment #1)
    Read: Chs. 3, 4.

July 8    Market structure and competitors.
    Case: Global Wine War 2009: New World versus Old
    Read: Chs. 5, 6.

July 13   Understanding consumers
    Case: Suave (C) (Assignment #2).
    Branding
    Read: Chs. 7, 11, 13.

July 15   Integrated marketing strategy: Going to market.
    Case: Aqualisa Quartz: Simply a Better Shower.
    Read: Chs. 8, 12, 13.

July 20   Communication and advertising strategy.
    Read: Ch. 10.
    Case: BMWFilms

July 22   Branding decisions.
    Case: Steinway & Sons: Buying a Legend (A) (Assignment #3).
    Pricing.
    Read: Ch. 7.
    Introduction to pricing decisions.

July 27   Value creation and pricing decisions.
    Case: Class--or Mass?
    Case: The Medicines Company.
    Read: Ch. 9.
July 29  Signaling and communicating with competitors and consumers.
Case: Tweeter etc. *(Final Assignment)*.

Aug 3  Strategies for service companies.
Case: The London 2012 Olympic Games.
Read: Ch. 15.

Aug 5  Global marketing.
Video Case: Zara Fast Fashion.
Appendix

Case Discussion Questions

Cases: Snapple (HBS 9-599-126)

1. In the period of 1972 to 1993, why do you thing that Snapple flourished when so many small startup premium fruit drinks stayed small or disappeared? Explore each of the four Ps.
2. Now look at the period from 1994 to 1997. Did Quaker make an error in buying Snapple or did they manage it badly?
3. Roll forward to 1988. What can Triarc's managers learn form Quaker's experience? What can they apply from their own experience? Is the Snapple target market "anyone with lips?" Is it ok that Snapple "ends up meaning lots of different things to lots of different people?" What are the risks and rewards of leaving "what the brand stands for" open the consumer's interpretations rather than a strong positioning on it? And what does it mean to say that Snapple is a fashion brand?
4. Identify the three highest priority initiatives you would start tomorrow if you were in Mike Weinstein's shoes. Justify them.

Cases: Global Wine War 2009: New World versus Old (HBS 9-910-405)

1. How did the French become the dominant competitors in the increasingly global wine industry for centuries?
2. What changes in the global industry structure and competitive dynamic led France and other traditional producers to lose market share to challengers from Australia, United States, and other New World countries in the late twentieth century?
3. What advice would you offer today to the French Minister of Agriculture? To the head of the French wine industry association? To the owner of a mid-size, well regarded Bordeaux vineyard producing wines in the premium categories?
4. What advice would you offer today to the Australian Minister of Agriculture? To the head of the French wine industry association? To the owner of a mid-size, well regarded vineyard in the Barossa Valley (a premier Australian wine region) producing wines in the premium and super premium categories?

Cases: Suave (C) (HBS 9-585-019)

1. Is the problem here the size of the ad budget, or are there more fundamental questions you have?
2. What can you say about Suave and its competitive positioning in the market? Are ad expenditures and prices related?
3. Who is the target customer for Suave?
4. What is "loyalty" to a shampoo?
5. Why are we planning to increase the ad budget? Shouldn't we be increasing trade promotion?
6. Would you do either of the plans in case Exhibit 9?
7. How will you pick your media?
Aqualisa Quartz: Simply a Better Shower (HBS 9-502-030)

1. What is the Quarts value proposition to plumbers? To consumers
2. Why is the Quarts shower not selling?
3. Aqualisa spent three years and €5.8 million developing the Quarts. Was the product worth the investment? Is Quarts a niche product or a mainstream product?
4. Aqualisa currently has three brands: Aqualisa, Gainsborough, and ShowerMax. What is the rationale behind this multiple brand strategy? Does it make sense?
5. What should Rawlinson do to generate sales momentum for the Quarts product?

BMWFilms (HBS 9-502-046)

6. Was the BMWFilms idea a good one? How successful has the campaign been?
7. What was the motivation behind the idea? Who was the target market for the BMWFilms campaign?
8. Describe the typical North American BMW customer. How does BMW’s US customer base compare to that of its competitors?
9. How healthy is the BMW brand in North America, relative to previous years? What (if any) are the current weaknesses of the BMW brand? What do you make of BMW’s growth strategy?
10. What should McDowell do? Which option should he pick?

Medicine Companies (HBS 9-502-006)

1. What is the economic value of Angiomax to the three key segments: low-, high-, and very high-risk patients?
2. How much are hospitals willing to pay for the drug?
3. What price would you charge?
4. How do you get hospitals to buy and use Angiomax?

Tweeter etc. (HBS 9-5972-028)

1. Describe Tweeter's positioning prior to 1993. Describe Tweeter's positioning after 1993. Is this positive change? Why or why not?
2. In 1993, what were Tweeter's competitive alternatives? What would you have done?
3. What is the purpose of regular price protection policies? What are they designed to do and who are they designed to influence? How is APP the same and how is it different?
4. Is APP a defensive strategy or an offensive strategy on the part of Tweeter? What are the implications of APP for growing Tweeter's market share over time?
5. Has APP been effective?
6. What are the major competitive challenges that Tweeter faces today? In light of these challenges, should Tweeter keep or abandon APP?
1. What is the essence of the Samsung brand? What are its identity dimensions? How have Samsung brand identity and image evolved over time?
2. How strong is the Samsung brand? Can Samsung pass Sony and become a top ten global brand?
3. What are the ingredients of SEC’s corporate turnaround strategy? What are the implications for marketing?